

**UNITED STATES OF AMERICA  
BEFORE THE NATIONAL LABOR RELATIONS BOARD  
REGION 7**

SYSCO DETROIT, LLC,	:	
	:	
Respondent	:	Cases 07-CA-163131
	:	07-CA-163930
v.	:	07-CA-172824
	:	
LOCAL 337, INTERNATIONAL	:	
BROTHERHOOD OF TEAMSTERS (IBT)	:	
	:	
Charging Party	:	

**RESPONDENT'S MOTION TO DISMISS**

**I. PROCEDURAL HISTORY**

On January 20, 2016, the Regional Director for Region 7 issued a Complaint and Notice of Hearing in Case 07-CA-163131 based on an amended unfair labor practice charge filed against Sysco Detroit, LLC (“Sysco”) by the International Brotherhood of Teamsters, Local 337 (“Union”) alleging that chief steward, Kimball Gordon, was suspended and discharged on October 8, 2015 “in retaliation for his union activities,” and that on November 10, 2015 Sysco issued Gordon a second discharge notice and would not consider Gordon for reinstatement “in retaliation for his union and other protected concerted activities.”

On February 11, 2016, the Regional Director issued an amended Complaint consolidating Case 07-CA-163930 — a matter involving allegations that Sysco unilaterally implemented a modified work rule breaching the parties' collective bargaining agreement in violation of Section 8(a)(5) of the Act — with Case 07-CA-163131 (the “Amended Complaint”).

On February 26, 2016, Sysco requested dismissal of the February 11, 2016 Amended Complaint, seeking deferral of the charges against it pursuant to the parties'

contractual grievance-arbitration procedure and affirming its willingness to waive all timeliness objections. Counsel for the General Counsel ("GC") filed a brief in opposition to the Motion to Dismiss on March 3, 2016, and on March 24, 2016, Sysco filed its Reply Brief in Support of Motion to Dismiss.

On May 6, 2016, the Regional Director issued the Second Amended and Consolidated Complaint and Notice of Hearing ("Second Amended Complaint") based upon a charge filed on March 29, 2016 in Case 07-CA-172824 alleging that Sysco has maintained a Social Media Policy since October 31, 2015 that violates Section 8(a)(1) of the Act. (*See* Second Amended Complaint at ¶¶ 1(e), 17, 19). In the Second Amended Complaint, the Regional Director asserts that Sysco's alleged issuance of a second discharge notice to Mr. Gordon and its refusal to consider him for reinstatement on November 10, 2015 was a result of Sysco's reliance on this Social Media Policy. (*Id.* at ¶ 18).

On May 18, 2016, the Board issued its Order Transferring Proceeding to the Board and Notice to Show Cause why Sysco's Motion should not be granted. Sysco and Counsel for the General Counsel filed responses to the Board's Notice to Show Cause. On November 29, 2016 the Board issued its Order Denying Motion, which is attached hereto as Exhibit A. The Board denied Sysco's Motion to Dismiss without prejudice to Sysco renewing its deferral arguments before the Administrative Law Judge.

Sysco moves that the Judge dismiss the Complaint and defer the allegations to the contractual grievance – arbitration procedure contained in the Collective Bargaining Agreement between Sysco and the Union. The dispute is subject to arbitration. All factors favoring

deferral under the *Collyer Insulated Wire*, 192 N.L.R.B. 837 (1971) doctrine are present. Therefore deferral is appropriate, and the Complaint should be dismissed.<sup>1</sup>

## **II. BACKGROUND**

### **A. Sysco And Its Collective Bargaining Relationship With The Union**

Sysco operates a food distribution system that provides a full line of food products and a wide variety of food-related products to both independent and chain restaurant customers and other "away-from-home" locations such as healthcare and educational facilities. Sysco has enjoyed a mutually beneficial relationship with the Union for over 40 years. During all relevant times, the parties were signatory to a collective bargaining agreement which was effective from February 6, 2011 until February 6, 2016. In May 2016, they negotiated a new five year contract. (the "CBAs") (Ward Declaration ¶ 4, attached hereto as Exhibit B)

The CBAs provide that "all grievances arising under and during the term of this Agreement shall be settled in accordance with the [grievance-arbitration] procedure" and a grievance is defined as any "alleged violation of the specific provision or article of this agreement." (See Exhibits 1 and 2 to Ward Decl.). Article II provides that "the Employer shall have the right to discharge or to otherwise discipline any employee for just cause, subject to the grievance and arbitration procedure." Consequently, all discipline, including discharge, is subject to the grievance and arbitration procedure. Moreover, the parties have routinely used the grievance and arbitration procedure for discipline and discharge matters. (Ward Decl. at ¶ 5)

Article VIII of the 2011-2016 CBA provides that:

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<sup>1</sup> It is undisputed that all issues in this case arose under the parties' Collective Bargaining Agreement executed in February 2011. Therefore, the *Collyer* standards, and not the deferral standards outlined in *Babcock & Wilcox Construction Co.*, 361 N.L.R.B. No. 132 (2014) are applicable.

The Employer shall have the right to amend, change, delete or add to the following Work Rules and Regulations and penalties for their violation, provided the Employer:

1. Provides written notice to the Union.
2. Post a notice of the change for ten (10) days.

An employee may challenge any such change through the grievance procedure up to ten (10) days from date posted. Any change so challenged will not take effect during the grievance process.

The parties have also used the grievance and arbitration process concerning changes to work rules. (Ward Decl. ¶ 5)

In over four years preceding the filing of the charges, the Regional Director has not issued a Complaint against Sysco either for discharging or disciplining an employee in retaliation for engaging in protected concerted activity or for unilaterally implementing changes to work rules. In that same time frame, the Union has not filed a charge alleging either that an employee was disciplined/discharged for engaging in protected concerted activity or for unilaterally implementing changes to work rules. In this same time period, Sysco has not been adjudicated to have violated the Act in any manner. (Ward Decl. ¶ 3)

**B. The Charges and Consolidated Complaint**

1. *The charges in cases 07-CA-163131 and 07-CA-172824*

On October 7, 2015, Kimball Gordon was working as a Forklift Operator and was discovered violating Sysco's Work Rule 1-11, which prohibits employees from falsifying productivity records. Forklift operators are evaluated and compensated through a wage incentive program in part, on the basis of their movement of stacked pallets of product from the receiving dock to a storage location. The Forklift Operators are coached and encouraged to take

more than one pallet from the dock at a time in order to consolidate and reduce the travel and time that is needed to put product away. If forklift operators scan one pallet but place three pallets on a forklift, they surreptitiously increase their incentive pay, improve their performance evaluations, or both. For these reasons, forklift operators are prohibited from scanning one pallet and transporting more than one pallet during the “inbound” process.

On October 13, 2015 Mr. Gordon was discharged for violating of Work Rule 1-11 because he was scanning one pallet, but transporting multiple pallets. On the same date Mr. Gordon grieved his termination writing that “I feel that my discharge was unjust and unwarranted and wish to be reinstated ...”

Following Gordon’s termination, Sysco's Director of Operations, Michael Mitchell was alerted to Facebook posts attributed to Mr. Gordon that were made on or about November 10, 2015. The posts were made on a public Facebook page maintained by a "community organization" called "Protecting Sysco & US Foods Workers". The posts attributed to Mr. Gordon represent that he was "fired" for "speaking up" about working conditions, a photograph of a freezer door within the warehouse and a photograph of a floor within the warehouse where Mr. Gordon wrote that "I have an employee that tore his knees up and is out on comp.... They are waiting to write him up ..." Plainly, at the time Mr. Gordon apparently made these posts, he had already been discharged and he was not an employee of Sysco.

On or about November 10, Mr. Mitchell showed a notice of a potential workplace rule violation to Union Steward Robert Fullerton putting him on notice that Mr. Gordon's post-termination conduct may be in violation of Work Rule 1-12. Importantly, Mr. Mitchell did not provide Mr. Fullerton with a copy of the document nor did he serve the document on Mr. Gordon who had already been discharged. The service of a disciplinary notice to an affected

employee is a condition precedent to the imposition of discipline pursuant to the parties' collective bargaining agreement. The Union had been asking Sysco to reinstate Mr. Gordon. Mr. Mitchell indicated to the Union that Sysco was not in a position where it could consider returning Mr. Gordon to employment. However, Sysco never served the notice and ultimately voided the notice of a potential violation. It did not issue any discipline or take any action in connection with Mr. Gordon's post-employment posting. Sysco concluded that the posting did not violate Sysco's work rules and, moreover, since Mr. Gordon had been terminated, there was no further basis to take action. Mr. Gordon filed a grievance over this issue as well.

Both grievances are timely and have been processed by Sysco consistent with the parties' collective bargaining agreement. The parties have selected an arbitrator and are in the process of confirming a hearing date with the arbitrator. (Ward Decl. ¶ 6)

The Second Amended Complaint filed on May 6, 2016 includes Case 07-CA-172824, in which it is alleged that Sysco has maintained an illegal Social Media Policy since October 31, 2015. The General Counsel asserts that the issuance of a second discharge notice to Mr. Gordon and the refusal to reinstate him on November 10, 2015 were actions taken in reliance upon this Policy. Accordingly, the General Counsel alleges that Sysco violated Section 8(a)(1) of the Act by maintaining this Policy and by relying upon it in its alleged November 10, 2015 conduct with respect to Mr. Gordon.

2. *The charge in case 07-CA-163930*

On or about August 7, 2015, the Company posted on the door leading to the break room at eye level a modification of its work rule governing distracted driving pursuant to the terms of the CBA contained in Article VIII. On August 27, after being posted for 10 days, the Company in an email issued by James Ward, VP of Operations, notified the Union that the change in the

work rule was effective. Unbeknownst to Mr. Ward or Mr. Mitchell, Sysco employee Alfredo Harris presented a grievance concerning the work rule on August 17, 2015 to Transportation Supervisor, Jason Claireborne.

Mr. Harris' grievance alleged that the enforcement policy of a workplace rule violated the collective bargaining agreement. Mr. Mitchell first learned about the grievance in the parties' grievance arbitration process on August 31, 2015. Mr. Mitchell informed the Union that he would look into the matter because it had not gone through the first step and he was not aware of the grievance.

Mr. Harris subsequently withdrew the grievance in early September. At that time, Mr. Harris signed the withdrawal. Several drivers were terminated under the modified workplace rule. Each of the terminated drivers has filed a grievance. The Union's grievance over the work rule change and the termination grievances have been processed. FMCS arbitration panels have issued in each case. In the work rule case the parties have selected an arbitrator and have set a hearing date. In the termination cases, the parties will be selecting arbitrators. (Ward Decl. ¶ 6)

The CBA specifically contemplates arbitration over changes to work rules. The Union agreed that the Company could implement work rules subject to challenge of the reasonableness of the work rule.

### **III. ARGUMENT**

#### **A. The Collyer Prearbitral Deferral Doctrine**

The Board has historically recognized a strong national policy favoring voluntary arbitration of disputes. *Olin Corp.*, 268 NLRB 573, 574 (1984). Under certain circumstances, such as those in this case, it is more appropriate for the Regional Director to

defer a determination on the merits of a charge pending the outcome of proceedings on related matters. *Casehandling Manual* §10118; *Collyer Insulated Wire*, 192 NLRB 837, 840-43 (1971). The Board's well-settled policy of pre-arbitral deferral seeks to both promote collective bargaining and promote the resolution of disputes pursuant to the procedures upon which the parties have agreed. *See United Technologies Corp.*, 268 NLRB 557, 558-59 (1984). The Board has recognized that "where an employer and a union have voluntarily elected to create a dispute resolution machinery culminating in final and binding arbitration, it is contrary to the basic principles of the Act for the Board to jump in the fray prior to an honest attempt by the parties to resolve their disputes through that machinery." *Id.* at 559.

Arbitration offers expeditious resolution of disputes, promotes industrial peace through adherence to the parties bargained for procedural mechanism for resolving disputes, and does not sacrifice statutory rights because the Board reserves jurisdiction post-arbitration ensuring that the process will function consistent with the Act. *See Collyer* at 843; *see also Alpha Beta Co.*, 273 NLRB 1546, 1547 (1985), *Babcock and Wilcox*, 363 NLRB No. 50 (2015).

Deferral of the resolution of a charge is appropriate where, as here: (1) the dispute arose within the confines of a long and productive bargaining relationship; (2) there is no claim of employer animosity to the employees' exercise of protected statutory rights; (3) the parties' agreement provides for arbitration of a very broad range of disputes; (4) the arbitration clause clearly encompasses the dispute; (5) the employer has asserted its willingness to utilize arbitration in resolving the dispute; and (6) the dispute is eminently well-suited to such resolution. *Wonder Bread*, 343 NLRB 55, 55 (2004) and *United Cerebral Palsy of New York*, 347 NLRB 603, 605 (2006).

**B. The Complaint Allegations Should Be Deferred To The Parties' Grievance-Arbitration Procedure**



The disputes at issue in this case are directly covered by the parties' collective bargaining agreement. All the factors are present for deferral in this case:

- The Union and Sysco have enjoyed a mutually beneficial collective bargaining relationship for over 40 years. The parties are signatory to a collective bargaining agreement which is effective from February 6, 2016 to February 6, 2021;
- Cases 07-CA-163131 and 07-CA-172824 involve allegations of garden-variety discipline involving a single employee, and there is no general claim of employer animosity to the employees' exercise of protected statutory rights;
- Case 07-CA-163930 involves Sysco's contractual right to implement a modified workrule subject to arbitration over the issue of reasonableness and whether the terminations for using cell phones while operating a semi-truck were proper. Likewise, there is no general claim of employer animosity to the employees' exercise of protected statutory rights;
- In over four years preceding the filing of the charges, the Regional Director has not issued a Complaint against Sysco either for discharging or disciplining an employee in retaliation for engaging in concerted protected activity or for unilaterally implementing changes to work rules. In that same time frame, the Union has not filed a charge alleging either that an employee was disciplined/discharged for engaging in concerted protected activity or that Sysco unilaterally implemented changes to work rules. In this same time period, Sysco has not been adjudicated to have violated the Act in any manner;
- The Charges concern the discipline of a union steward and several drivers and changes to a work rule that are clearly subject to the grievance and arbitration procedure in the parties' CBA;
- Grievances have been initiated over the terminations and work rule change;
- The Employer and Union have processed the grievances and are committed to arbitrate them if the grievances are not otherwise mutually resolved. There is no "backlog" of pending arbitral matters and Sysco will cooperate in processing the grievance without interruption; and
- Because the parties routinely process disciplinary disputes through the Agreement's grievance-arbitration process, the current disputes are well-situated to resolution through arbitration.

The single allegation that Sysco violated 8(a)(3) and (1) by issuing discipline to a union steward as a reprisal for engaging in protected union activity does not, by itself, establish that there is a claim of employer animosity to employees' exercise of protected statutory rights. *Babcock*, 363 N.L.R.B. No. 50 (2015).

The Board has routinely "deferred cases involving alleged discrimination against union stewards where it was satisfied that the parties' grievance procedure '[could] be relied upon to function properly and to resolve the current disputes fairly.'" *Babcock*, 363 NLRB No. 50 *citing* *United Aircraft Corp.*, 204 N.L.R.B. 879, 879 (1972), review denied sub nom. *Machinists Lodges 700, 743 v. NLRB*, 525 F.2d 237 (2nd Cir. 1975); *United Beef Co.*, 272 N.L.R.B. 66 (1984); *United Technologies Corp.*, 268 N.L.R.B. 557, 558 (1984).

The allegation that Sysco "has maintained" the referenced Social Media Policy since October 30, 2015, i.e., still maintains such a policy, is false. Within approximately 2 weeks after the filing of the charge in Case 07-CA-172824, Sysco withdrew its Social Media Policy and provided notice of the same to all employees on April 14, 2016. (Ward Decl. ¶ 8). Sysco also provided notice of the withdrawal of this policy to the General Counsel. While the withdrawn policy was in effect, Sysco did not enforce or discipline any employees for postings that allegedly violated the policy. (*Id.*). Moreover, James Ward does not believe the policy was ever enforced. (*Id.* at ¶¶ 8). Consequently, the only potential relevance of this rescinded policy is with respect to Mr. Gordon's discharge — which has been the subject of all three Complaints filed against Sysco.

In that regard, Mr. Gordon was discharged on October 13, 2015 for violation of Work Rule 1-11 which prohibits employees from falsifying productivity records. The GC concedes that Mr. Gordon was discharged on this date, and it is specifically pled in both the Amended

and Second Amended Complaints. (*See* Amended Complaint and Second Amended Complaint at ¶ 10(b)). Thus, the Facebook posts at issue, as well as the allegations of discriminatory conduct by Sysco on November 10, 2015, all took place after Mr. Gordon was no longer an employee. Moreover, Sysco never actually disciplined former employee Gordon, and instead voided the notice of potential discipline regarding Mr. Gordon's post-termination comments on Facebook. Thus, the Social Media Policy has no causal relationship to Mr. Gordon's discharge and Sysco has never, and does not now, rely upon that policy to support its decision to discharge Mr. Gordon.

Notwithstanding the foregoing, to the extent the existence of the Social Media Policy has any continuing relevance to Mr. Gordon's discharge, the issue of whether the policy itself violates the Act will never be before the arbitrator and therefore, is not interrelated to the charge concerning Mr. Gordon's termination so as to render deferral inappropriate. Sysco anticipates that the GC will assert that the charges cannot be deferred because the allegations of the Second Amended Complaint are not deferrable and are closely interrelated to the existing charges, thus rendering deferral improper. However, this argument necessarily fails.

Mr. Gordon has filed grievances regarding both his October 13, 2015 discharge and the November 10, 2015 voided notice of potential discipline. The parties are processing these grievances. When the parties proceed to arbitrate these grievances, the question before the arbitrator will be whether Mr. Gordon was discharged for just cause under the collective bargaining agreement. Sysco will not be relying upon a rescinded Social Media Policy to support its discharge of Mr. Gordon and in fact, concedes that a violation of the Social Media Policy contained in Work Rule 1-12 did not, and does not now, provide just cause to terminate Mr. Gordon. Indeed, the Social Media Policy has absolutely no causal relationship to Mr.

Gordon's discharge. Accordingly, because Sysco is not relying upon the policy to provide just cause, the arbitrator will never have occasion to decide whether the policy violates the Act. Moreover, to the limited extent that Mr. Gordon might raise the Social Media Policy and assert that it formed the basis of his termination, the arbitrator can properly determine, in assessing just cause, why Sysco terminated Mr. Gordon's employment. That determination however, is related solely to the just cause analysis and is properly before the arbitrator.

The implementation of the work rule in Case 07-CA-163930 also does not establish general animosity towards employee rights and is merely a breach of contract case routinely submitted to arbitration. "As the Board has stated in *Vickers, Inc.*, 153 N.L.R.B. 561, 570 (1965), when "an employer has a sound arguable basis for ascribing a particular meaning to his contract and his action is in accordance with the terms of the contract as he construes it," the Board will not enter the dispute to serve the function of arbitrator in determining which party's interpretation is correct." *NCR Corporation*, 271 N.L.R.B. 1212, 1213 (N.L.R.B. 1984). See also *Timken Roller Bearing Co. v. N.L.R.B.*, 161 F.2d 949, 955 (6th Cir. 1947); *Consolidated Aircraft Corp.*, 47 N.L.R.B. 694, 706 (1943), *enfd.* 141 F.2d 785 (9th Cir. 1944); *National Dairy Products Corp.*, 126 N.L.R.B. 434, 439 (1960).

The case before the Judge involves nothing more than a garden variety breach of contract case and a "mere breach of the contract is not in itself an unfair labor practice." See *Pleasantview Nursing Home, Inc. v NLRB*, 351 F.3d 747 (6<sup>th</sup> Cir. 2003); see also *NLRB v. C & C Plywood Corp.*, 385 U.S. 421, 427, 87 S.Ct. 559, 17 L.Ed.2d 486 (1967) ("Congress determined that the Board should not have general jurisdiction over all alleged violations of collective bargaining agreements."). *Employees v. Westinghouse Electric Corp.*, 348 U.S. 437 fn. 2 (1955); *National Dairy Products Corp.*, at 439; *United Telephone Co.*, 112 N.L.R.B. 779,

782 (1955). Indeed, the face of the complaint only alleges that Sysco failed to continue in effect all terms and conditions of the CBA by changing the penalty provisions of the distracted driving policy by failing to give advance notice and “without following the other procedural conditions to change a Work Rule required by the CBA.” (Consolidated Complaint at ¶13(a) and (b). The General Counsel does not dispute that Sysco had the right to change the penalty provision and only alleges that Sysco breached the contract by failing to follow the contractual procedure to change a work rule. This is not an unfair labor practice, but rather a breach of contract case that is particularly well-suited for arbitration.

The Board has routinely deferred to the arbitration process in cases to determine if a Company had a unilateral right to implement work rules. Cf. *Speilberg Manufacturing Company*, 112 N.L.R.B. 1080 (1955) / *Olin Corp.*, 268 NLRB 573 (1984)(“It hardly needs repeating that national policy strongly favors the voluntary arbitration of disputes. The importance of arbitration in the overall scheme of Federal labor law has been stressed in innumerable contexts and forums.”); *The Hoover Company*, 307 N.L.R.B. 524, 526 (N.L.R.B. 1992)(post arbitration deferral case relying on an arbitrator's decision that Company had the right to unilaterally implement work rules).

**C. The General Counsel’s Positions on Deferral are Wrong**

With respect to the Section 8(a)(5) charge alleging the unilateral implementation of a modified work rule (Case 07-CA-163930), the GC does not dispute that:

the parties' dispute arises within the confines of a long and productive collective-bargaining relationship; there is no claim of animosity to employees' exercise of Section 7 rights; the parties' agreement provides for arbitration in a broad range of disputes; the parties' arbitration clause clearly en-compasses the dispute at issue; the party seeking deferral has asserted its willingness to utilize arbitration to resolve the dispute; and the dispute is well suited to resolution by arbitration.

*United Hoisting & Scaffolding, Inc.*, 2014 N.L.R.B. LEXIS at \*16-17, citing *Sheet Metal Workers Local 18—Wisconsin*, 2013 N.L.R.B. LEXIS 340 (May 13, 2013).

Rather, the GC has argued only that deferral is not appropriate because Sysco unilaterally implemented the modified work rule without regard to the collective bargaining agreement under circumstances where, the GC asserts, the contract language at issue is unambiguous and the special interpretation skills of an arbitrator would not be helpful.

However, the resolution of this charge hinges on a determination as to whether Sysco followed the contract and whether a withdrawn employee grievance should have affected or prevented the implementation of the modified work rule. These issues necessarily involve interpretation of the contract provisions governing the work rules and regulations, arbitration and grievance procedure, and the management rights clause. Therefore, this is a proper case for deferral under established Board precedent. See *e.g.*, *Mercy Hosp.*, 2016 N.L.R.B. LEXIS 330 (N.L.R.B. May 6, 2016) (deferring one 8(a)(5) charge to arbitration, relying in part on authority of *Babcock & Wilcox*, 2015 N.L.R.B. LEXIS 888, under circumstances where the GC alleged that the employer unilaterally created and posted new positions in violation of the CBA and ALJ found this to be a matter of contract interpretation and further that 8(a)(1) allegations were not so egregious to discount long history of successful use of grievance process or to render arbitration futile); *United Hoisting & Scaffolding, Inc.*, 2014 N.L.R.B. LEXIS 524; *Hoffman Air & Filtration Systems*, 312 N.L.R.B. 349 (1993) (finding deferral of one charge appropriate for 8(a)(5) violation allegations regarding unilateral changes concerning plant rules, overtime pay, and restrictions on conduct of union business and finding that the charge was not interrelated with other nondeferrable allegations); *Transport Service Co.*, 282 N.L.R.B. 111

(1986). The charge relating to the unilateral implementation of a modified work rule must therefore be deferred to arbitration.

Similarly, with respect to the Section 8(a)(3) allegations concerning the discharge of and refusal to reinstate Mr. Gordon (Case 07-CA-163131), the GC concedes that nearly all of the *Collyer* factors are present. The GC contests only the fourth *Collyer* factor, that is, the GC asserts that the parties' contract does not clearly encompass resolution of a dispute arising under Section 7 of the Act. This argument fails under the express language of the contract. Indeed, the contract expressly provides that Sysco will comply with all applicable federal and state laws in all practices relating to discipline and, moreover, an arbitrable "grievance" is defined by the contract to include an "alleged violation of the specific provision or article of this agreement[.]" (CBA, p. 1; Article VIII, Sections 1-2, pp. 9-10). Thus, the contract provides for arbitration of a broad range of disputes and compliance with Section 7 of the NLRA is clearly encompassed by the contract language noted above.

Furthermore, the GC's argument also fails pursuant to the analogous authority of *Babcock & Wilcox*, 2015 N.L.R.B. LEXIS 888 (Dec. 3, 2015). The Board has routinely deferred cases involving allegations of discrimination against Union stewards when satisfied that ". . . the parties' grievance procedure could reasonably be relied upon to function properly and to resolve the current disputes fairly." 2015 N.L.R.B. LEXIS at \*8. In this case, the parties' 40-year bargaining relationship, long history of processing terminations through the grievance-arbitration procedure, and Sysco's current processing of Mr. Gordon's grievance all strongly support deferral of this matter.

**D. Because Deferral Is Appropriate, Sysco's Motion to Dismiss Should Be Granted**

The determination of whether a case should be deferred is a threshold question which must be "decided in the negative before the merits of the unfair labor practice allegations can be considered." *Canton-Potsdam Hosp.*, 2014 NLRB LEXIS 327, 22-23 (May 1, 2014). If deferral is appropriate, then a motion to dismiss should be granted. *See, e.g., Babcock*, 363 N.L.R.B. No. 50 (2015); *Urban N. Patman*, 197 NLRB 1222, 1223 (1972).

As all the required elements for deferral are present, the motion to dismiss should be granted. Indeed, pursuant to the *Casehandling Manual* §10118, when all of the *Collyer* elements are present, a Charge is required to be deferred.

#### **IV. CONCLUSION**

For all the reasons set forth above, Sysco respectfully requests that the Complaint be dismissed and that the allegations in the Charges be deferred to the parties' contractual grievance-arbitration procedure.

Respectfully submitted,

OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.

By: s/ Todd M. Nierman

Todd M. Nierman, IN 11273-49  
111 Monument Circle, Suite 4600  
Indianapolis, IN 46204  
Telephone: 317.916.1300  
Facsimile: 317.916.9076  
*todd.nierman@ogletree.com*



CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been duly served upon the following by  
email this 14th day of April, 2017:

Kelly Temple  
National Labor Relations Board  
Region 07  
477 Michigan Ave Rm 300  
Detroit MI 48226-2543  
Kelly.Templenlrb.clov

Kevin O'Neil  
Attorney for Local 337  
International Brotherhood of Teamsters  
22729 Michigan Avenue  
Dearborn, MI 48124  
kevino21hotmail.com

s/ Todd M. Nierman

29470843.1

# **EXHIBIT A**

**UNITED STATES OF AMERICA  
BEFORE THE NATIONAL LABOR RELATIONS BOARD**

**SYSCO DETROIT LLC**

**Respondent**

**LOCAL 337, INTERNATIONAL  
BROTHERHOOD OF TEAMSTERS (IBT)**

**Charging Party**

**Cases 07-CA-163131  
07-CA-163930  
07-CA-172824**

**ORDER DENYING MOTION**

The Respondent's Motion to Dismiss is denied.<sup>1</sup> The Respondent has failed to establish that the complaint allegations should be deferred to the parties' grievance and arbitration procedure pursuant to *Collyer Insulated Wire*, 192 NLRB 837 (1971). This denial is without prejudice to the Respondent renewing its deferral argument before the administrative law judge.

Dated, Washington, D.C., November 29, 2016.

MARK GASTON PEARCE,	CHAIRMAN
PHILIP A. MISCIMARRA,	MEMBER
LAUREN McFERRAN,	MEMBER

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<sup>1</sup> On May 18, 2016, the National Labor Relations Board issued a Notice to Show Cause why the Respondent's February 11, 2016, motion should not be granted. The General Counsel and the Respondent filed briefs in response, and the Respondent filed a reply brief.

## **EXHIBIT B**

**UNITED STATES OF AMERICA  
BEFORE THE NATIONAL LABOR RELATIONS BOARD  
REGION 7**

SYSCO DETROIT, LLC,

Respondent

v.

LOCAL 337, INTERNATIONAL  
BROTHERHOOD OF TEAMSTERS (IBT)

Charging Party

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**DECLARATION OF JAMES WARD**

Pursuant to 28 U.S.C. Section 1746, I, James Ward, declare the following:

1. I am over age 18 and am competent to testify to the facts contained herein if called to testify as a witness.
2. I am employed as the Vice President of Operations for Sysco Detroit, LLC ("Sysco").
3. In the over four years preceding the filing of the charges that form the basis of the Second Amended Consolidated Complaint, the Regional Director has not issued a Complaint against Sysco either for discharging or disciplining an employee in retaliation for engaging in concerted protected activity, or for unilaterally implementing changes to work rules. In that same time frame, Local 337, International Brotherhood of Teamsters ("Union") has not filed a charge alleging either that an employee was disciplined or discharged for engaging in concerted protected activity or that Sysco has unilaterally implemented changes to work rules. In this same time period, Sysco has not been adjudicated to have violated the Act in any manner.

4. True and accurate copy of the parties' current collective bargaining agreement and prior agreement are attached as Exs.1 and 2 hereto. Both contracts contain a grievance and arbitration procedures.

5. Sysco and the Union have a long history of productive use of the grievance and arbitration process. The CBAs specifically contemplate arbitration over changes to work rules, discipline, or any alleged violation of the contract. The current collective bargaining agreement is effective from February 6, 2016 until February 6, 2021.

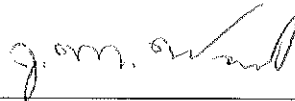
6. The Union filed a grievance challenging the modification of the work rule that is the basis of Case 07-CA-163930. An arbitrator has been chosen and the case is set for hearing in May 2017. Each of the terminations that arose under the modified work rule are also the subject of grievances. The parties have requested and received from FMCS arbitrator panels for each case. The Union filed a grievance challenging the suspension and discharge of Kimball Gordon. The parties have selected an arbitrator and are in the process of choosing a date for hearing.

7. Sysco is willing to waive any timeliness objections and other procedural defenses to all grievances in this matter.

8. On April 14, 2016 Sysco rescinded the social media policy that forms the basis of Charge 07-CA-172824 and which is referenced in paragraph 17 of the second amended complaint. During my time at Sysco, Sysco has not enforced the rescinded policy and no discipline has issued for any alleged violation of the policy. To the best of my knowledge, the policy was never enforced.

I declare under penalty of perjury  
that the forgoing facts contained in  
this Declaration are true and correct.

Executed on April 14, 2017



---

James Ward

29478037.1

# **EXHIBIT 1**



AGREEMENT

Effective February 6, 2016  
Through February 6, 2021

Between

Sysco Detroit, L.L.C.

and

INTERNATIONAL BROTHERHOOD OF TEAMSTERS,  
CHAUFFEURS, WAREHOUSEMEN AND HELPERS  
OF AMERICA, LOCAL 337

The Agreement is made between the undersigned Company, Sysco Detroit, L.L.C. at 41600 Van Born Road, Canton, Michigan, hereinafter referred to as the Employer, and the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, Local 337, hereinafter referred to as the Union.

Whereas, both parties are desirous of preventing strikes and lockouts and other cessation of work and employment; and of maintaining a uniform wage scale, working conditions and hours of employees of the Employer, and of facilitating peaceful adjustment of all grievances which may arise from time to time between the Employer and his employees; and of promoting and improving peaceful industrial and economic relations between the parties.

We firmly believe that the continuing success of Sysco Detroit, L.L.C. depends on the use of the abilities of all employees without regard to their race, color, sex, religion, age, national origin, handicap, marital status, height or weight.

We subscribe to a policy of equal employment opportunity and will conduct all practices relating to recruitment, assignment, promotion, training, compensation, benefits, discipline and termination in a manner that complies with all applicable federal and state laws.

## TABLE OF CONTENTS

Article I	Recognition, Union Shop and Dues	Pg. 3-4
Article II	Management Rights	Pg. 5
Article III	Subcontracting	Pg. 5-6
Article IV	Wages	Pg. 6-7
Article V	Transfer of Company Title or Interest	Pg. 7
Article VI	Seniority	Pg. 8-9
Article VII		
Article VIII	Arbitration and Grievance Procedure	Pg. 9-11
Article IX	Stewards	Pg. 11
Article X	Leave of Absence	Pg. 12
Article XI	Limitation of Authority and Liability	Pg. 13
Article XII	Picket Line	Pg. 13
Article XIII	Struck Goods	Pg. 13
Article XIV	Maintenance of Standards	Pg. 14
Article XV	General	Pg. 14
Article XVI	Health and Welfare and Pension	Pg. 14-17
Article XVII	Extra Contract Agreements	Pg. 17
Article XVIII	Military Service	Pg. 17
Article XIX	Bonds	Pg. 18
Article XX	Loss or Damage	Pg. 19
Article XXI	Uniforms	Pg. 19
Article XXII	Equipment, Accidents and Reports	Pg. 20
Article XXIII	New Equipment	Pg. 20
Article XXIV	Workers Compensation	Pg. 21
Article XXV	Jury Duty	Pg. 21
Article XXVI	Separability and Savings Clause	Pg. 21-22
Article XXVII	Termination of Agreement	Pg. 22-23

### Supplementary Agreement, Schedule "A"

Article I	Wages and Hours	Pg. 24-30
Article II	Vacation Leave	Pg. 31-33
Article III	Holidays	Pg. 34-35
Article IV	Personal Leave	Pg. 36-37
Article V	Funeral Leave	Pg. 37
Article VI	Medical Examinations and Tests	Pg. 37-38
Article VII	Job Classifications and Bids	Pg. 38-40
Article VIII	Dress and Appearance Code	Pg. 41
	Work Rules and Regulations	Pg. 41-42

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## ARTICLE I

### RECOGNITION, UNION SHOP AND DUES

Section 1. The Employer recognizes and acknowledges that the Union is the exclusive representative in collective employees covered by this Agreement and listed in the attached Schedule "A".

The terms of this Agreement shall apply to all employees in the classifications of work set forth herein in the Employer's Warehouse and to all employees in the classifications of work set forth herein that may be employed in warehouse accretions and reallocations with Wayne County and all counties contiguous to Wayne County.

Section 2.

The parties agree that if and when Union Security agreements become legally enforceable under Michigan state law, the Union Security provisions of Article 1, Section 2 from previous Sysco Detroit LLC collective bargaining agreements, as recreated below, shall apply:

All present employees who are members of the Union on the effective date of this Agreement or on the date of execution of this union shop agreement, whichever is the later, shall remain members of the Union in good standing as a condition of employment. All present employees who are not members of the Union and all employees who are hired hereafter shall become and remain members in good standing of the Union as a condition of employment on and after the 31st day following the beginning of their employment or on and after the 31st day following the effective date of this Agreement or the date of the execution of this union shop agreement, whichever is the later.

The Employer shall honor wage assignments executed voluntarily by employees, when presented by the Union and shall accordingly deduct from the employee's wages the regular initiation fees, re-initiation fees, and/or monthly dues when certified to be due by the Union to be due and owing, and shall promptly remit all money so withheld and assigned to the Union.

All such wage assignments shall be revocable in accordance with applicable State and Federal laws.

The Union shall indemnify and save the Employer harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken by the Employer in reliance upon authorization cards for assignment of wages furnished to the Employer by the Union of for the purposes of complying with the provisions of this Article.

Section 3. When the Employer needs additional help, it shall give the Union equal opportunity with all other sources to provide suitable applicants, but the Employer shall not be required to hire those referred by the Union.

Section 4. The Employer agrees to deduct from the pay of each full-time and casual employee all dues and/or initiation fees of the Union and pay such amount deducted to the Union for each and every employee, working in the classifications hereinafter set forth, provided however, that the Union presents to the Employer authorizations, signed by such employee, allowing such deductions and payments to the Union.

The Employer will recognize authorization for deductions from wages, if in compliance with state law, to be transmitted to the Local Union or to such other organizations as the Union may request if mutually agreed to. No such authorization shall be recognized if in violation of state or federal law. No deduction shall be made which is prohibited by applicable law.

The Union agrees to indemnify and hold harmless the employer against any and all suits, claims, demands and liabilities that may arise out of or because of any action taken by the Employer for the purpose of complying with any of the provisions of this section.

Section 5. The Employer agrees to respect the jurisdictional rules of the Union and will not allow persons other than employees in the bargaining unit classifications as hereinafter set forth, to perform the jurisdictional work of the bargaining unit employees, provided, that the Union furnishes the Employer with a copy of its jurisdictional rules, and provided, further, that in the event of a conflict between the jurisdictional rules of the Union and any provisions of this Agreement, the terms of this Agreement shall control and govern.

Section 6. Shuttle employees who shuttle Canton facility product, regardless of where the equipment originates, to other company route drivers for further distribution to customers will be Local 337 work to be performed by Local 337 employees.

Section 7. Regarding the Sysco Saginaw drivers, it is mutually agreed and understood that shuttle work will accrue to Local 337 on an attrition basis until such time as all shuttle work is performed by Local 337 members. Further, any expansion of the Sysco Saginaw work force beyond the 21 Local 486 employees shall become Local 337 members.

Nothing in this Agreement shall prohibit customers of the Employer or other persons authorized by the Employer from making pickups and/or deliveries from the Employer's warehouse as they have done in the past, such pickups and/or deliveries would normally be within the work jurisdiction of the bargaining unit in the event of errors, emergencies, or other unforeseen circumstances.

Nothing in this Agreement shall prohibit the Employer from taking whatever action deemed necessary to service the Employer's customers and/or conduct the Employer's business when such action results from an absence by a bargaining unit employee.

## ARTICLE II

### MANAGEMENT RIGHTS

Section 1 The Employer retains, solely and exclusively, all the rights, powers, and authority which it exercised or possessed prior to the execution of this agreement, except as specifically abridged by an express provision of this agreement. Without limiting the generality of the foregoing, the rights, powers, and authority retains solely and exclusively by the employer and not abridged by this agreement include, but are not limited to the following: To manage, direct and maintain the efficiency of its business and personnel; to manage and control its departments, building, facilities and operations; to discontinue work; to direct the work force; to increase or decrease the work force and determine the number of employees needed; to hire, transfer, promote, demote, and maintain efficiency of its employees' to lay off employees; to establish reasonable work standards, schedules of operation and workloads; to specify or assign work assignments and require overtime; to assign work; to schedule and change working hours, shifts and days off; to adopt reasonable rules of conduct and reasonable safety rules; to determine the type and scope of work to be performed and services provided; to determine the location and relocation of facilities; the right to establish reasonable qualitative or quantitative standards of production; and to effect technological changes.

The Employer shall have the right to discharge or to otherwise discipline any employee for just cause, subject to the grievance and arbitration procedure.

Section 2. This Agreement contains all of the covenants, stipulations and provisions agreed upon by the parties hereto, and no representative of either party has authority to make, and none of the parties shall be bound by any statement, representation, or agreement reached prior to the signing of this Agreement and not set forth herein.

## ARTICLE III

### SUBCONTRACTING

Section 1. For the purpose of preserving bargaining unit work for the employees covered by this Agreement, the Employer agrees, except as provided for in Sections 2 and 3 below, that no work or services of the kind, nature or type covered by, presently performed, or hereafter assigned to the collective bargaining unit will be subcontracted by the Employer in whole or in part to any other person.

Section 2. The Employer has the exclusive right to change the number and location of plants and/or other facilities, the geographic areas in which the Employer will conduct business. The following are the exclusive functions of the Employer:

- A. The creation of new departments; and
- B. The elimination of existing departments in a plant and/or other facility.

C. The right to determine where, when and by whom repairs and service to vehicles, equipment and other facilities of the Employer will be performed

D. The right to subcontract for cleaning and janitorial services for any or all of Employer's facilities.

The Employer shall not cause an employee regularly performing the services referred to in paragraphs C and/or D to be laid off as a result of subcontracting for repairs and/or services. It is not the Employer's intention to use subcontracting for the purpose of intentionally eliminating overtime.

Section 3. It is the sole right of the Employer to diminish or expand operations and/or areas served in whole or in as circumstances warrant.

Section 4. In the event the Employer closes its present facilities and relocates its warehouse operations, employees working at the time of closing shall have first opportunity for employment at the new location.

Management will not do bargaining unit work. Nonetheless, management in cases of an emergency shall have the right to perform bargaining unit work if no bargaining unit employees who are capable of performing the work are available to do that work.

#### ARTICLE IV

##### WAGES

Section 1. Attached hereto and marked Schedule "A" is a schedule showing the minimum hourly wage rates of the employees covered by this Agreement. Said Schedule "A" and the contents thereof shall constitute a part of this Agreement.

Section 2. The Employer shall have the exclusive right to establish and/or discontinue alternate methods of computing compensation as deemed necessary, provided that any alternate method shall not result in an effective hourly wage (including applicable overtime) less than the minimum required in Schedule "A".

The Employer shall provide the Union with a copy of any alternate method of compensation prior to implementation.

Each employee shall have the exclusive right to decide between the minimum wage provided in schedule "A" and any alternate method offered by the Employer.

An employee having elected to be compensated under an alternate method may at any time choose to return to the minimum required in Schedule "A".

The Employer may impose limits on the number of times an employee may elect to participate in an alternate method of compensation during any twelve month period.

Section 3. All employees covered by this Agreement shall be paid for all time spent in the service of the Employer. Time shall be computed from the time an employee reports for work and registers in but not earlier than the employees scheduled start time, until the time he is effectively released from duty. All time lost due to delays as a result of overloads or certified violations involving federal, state, or city regulations, which occur through no fault of the employee, shall be paid at the employee's hourly rate.

Employees who are sent out of town necessitating staying overnight shall be entitled to a per diem covering lodging, dinner and breakfast.

Section 4. Nothing in this Agreement shall require the Employer to pay more than the minimum hourly wage required in Schedule "A" for hours not worked.

Section 5. All employees covered by this Agreement shall be paid within one week of the end of the previous work week. The Employer will have vacation checks prepared and distributed one week prior to vacation. Also, the Employer agrees to provide paychecks on Thursday afternoon by 4:00 p.m. for employees who will be starting vacation on Friday or for employees on scheduled personal days off on Friday. If an employee receives a vacation check then vacation must be taken.

The Union and Employer may by mutual agreement amend the pay periods.

Each employee shall be provided with an itemized statement of his earnings and all deductions made for any purpose, upon request of individual employees or Union representatives.

## ARTICLE V

### TRANSFER OF COMPANY TITLE OR INTEREST

Section 1. This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. In the event an entire operation or any part thereof is sold, leased, transferred or taken over by sale, transfer, lease assignment, receivership or bankruptcy proceeding, such operation shall continue to be subject to the terms and conditions of this Agreement for the life thereof. It is understood by this Article that the parties hereto shall not use any leasing device to a third party to evade this contract. The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, etc., of the operation covered by this Agreement or any part thereof. Such notice shall be in writing with a copy to the Union not later than the effective date of sale.

Section 2. In the event the Employer fails to require the purchaser, transferee, or lessee to assume the obligations of this Agreement, the Employer (including partners thereof) shall be liable to the Union, and to the employees covered for all damages sustained as a result of such failure to require assumption of the terms of this Agreement, but shall not be liable after the purchaser, the transferee or lessee has agreed to assume the obligations of this Agreement.

## ARTICLE VI

### SENIORITY

Section 1. Strict seniority shall prevail in the layoff and recall of employees. In reducing the work force because of lack of work or other legitimate cause, the last employee hired shall be the first employee laid off and the last employed laid off shall be the first employee rehired. In the laying off and the rehiring of laid off personnel, the particular work performed by said employee shall be an important factor. There shall be mutual agreement between the Union and the Employer as to whether "work performed" shall take precedence over seniority in the layoff and recall of employees.

Section 2. The Employer shall post a list of the employees arranged in order of their seniority. This list shall be posted in a conspicuous position at the place of employment.

Section 3. Seniority (employment) shall be broken only by:

1. Discharge for Just Cause.
2. Voluntary quit.
3. Inability to work due to illness or non-work related injury over two (2) years.
4. Inability to work due to work related injury over two (2) years.
5. Layoff (not including voluntary layoff) over one (1) year.

Section 4. In the event of a layoff, an employee so laid off shall be given one week notice of recall to work, mailed to his last known address. In the event the employee fails to make himself available for work at the end of said one week, he shall be considered a voluntary resignation.

Section 5. One Steward shall be granted super seniority for all purposes including layoff and rehire. The Union shall provide the company, in writing, with the name of the Steward so designated.

Section 6. Any employee employed in a classification covered by this Agreement, who is or has been promoted or transferred to a non-bargaining unit position shall not accumulate seniority while he works in the non-bargaining unit position. If the employee is returned to a bargaining unit classification within sixty (60) working days from the date promoted or transferred, he shall commence work in a job generally similar to the one he held at the time of his promotion or transfer and he shall maintain the seniority rank he had at the time of his promotion or transfer out of the bargaining unit. No employee shall be returned to the bargaining unit after sixty (60) working days from the date promoted or transferred.

Section 7. Domicile drivers (Toledo, Grand Rapids, Jackson, Port Huron, Findlay) whose location is subject to change will have preferred seniority for the domicile location. No



drivers from any other location will have the right to bump into the domicile territory. The domicile drivers may be moved to another location if the domicile site changes or due to staff reduction.

In the event the domicile site is moved the current domicile drivers will have preferred seniority to move to the new domicile site or return to the main Canton distribution center.

Section 8. The company will maintain the sole right to establish permanent bid runs and pool runs which will be bid once a year by seniority. The drivers will bid established routes by area and will retain no exclusive rights of customer or stop. The company retains the right to make changes on early departures (out of town) runs regardless of bids to adequately service the company's customers. Drivers calling in absent must call in two hours prior to the start of the shift to allow us to properly control bids and pool runs.

Section 9. The parties agree that a casual employee that has attained full-time status and has completed the twelve (12) month calendar day probationary period, shall be placed on the full-time seniority list.

## ARTICLE VIII

### ARBITRATION AND GRIEVANCE PROCEDURE

Section 1. It is agreed that all grievances arising under and during the term of this Agreement shall be settled in accordance with the procedure provided below and that there shall not be at any time any strike, sympathy strike, tie-ups of equipment, slow downs, walk-outs, or any other cessation of work or the use of any method of lockout or legal proceedings. A grievance is defined as an alleged violation of the specific provision or article of this agreement.

In addition, the Company will issue discipline by no later than the tenth (10<sup>th</sup>) calendar day, excluding days where the employee is on approved absence from work, following its knowledge of the act for which discipline is to be issued. Any accident, incident, or injury investigation, delay in receipt and/or processing of drug screen results, or other prolonged investigation, as determined by the Company, will extend this period indefinitely until such time that information is obtained to initiate the discipline. The Company will notify the Union in advance of any extension.

Section 2. Should any grievance arise as defined above, there shall be an earnest effort on the part of the parties to settle such promptly through the following steps:

#### Step 1.

An employee grievance shall first be taken up by a conference between the aggrieved employee, the shop steward, or both, and the foreman of the employee.

Step 2.

If the grievance cannot be resolved in Step 1 and before proceeding to Step 3 below, it shall be the responsibility of the aggrieved employee to reduce any grievance to writing on the regular grievance form provided by the Union. Written grievances must be taken up promptly and no grievance will be considered or discussed which is presented later than ten (10) calendar days after the aggrieved has knowledge or has reason to have knowledge of the occurrence grieved, excluding days where the employee is on approved absence from work.

Step 3

All written grievances shall be the subject of a conference between an official or officials of the Union and the Employer. The Employer shall answer written grievances in writing within ten (10) days after the date of the conference. If the employer fails to meet time limit set forth the employee will be awarded the grievance, except as provided for in paragraph (A) below, from the date presented to the designated representative of the Company.

(A) The time allowed for a response may be extended for periods of thirty (30) days, when mutually agreed to by both the Company and the Union

Step 4.

In the event the last step fails to settle the complaint, it shall be referred to arbitration upon request of either the Union or the Employer. The Union shall notify the Company within forty-five (45) days, except as provided for in Step 3, paragraph (A) above, from the Company's response to any written grievance if the grievance will be submitted to arbitration. Failure to notify the Company within forty-five (45) days, except as provided for in Step 3, paragraph (A) above, shall be considered acceptance of the Company's position. The President and/or Executive Board of the Local Union shall have the right to determine whether or not the grievance is qualified to be submitted for arbitration by the Union.

Section 3: A strike authorized by the union to enforce the decision of an arbitrator shall not be a violation of any provision of this agreement.

The Union agrees to give the Company 48 hours advanced notice of any such action as it relates to this article only.

The Union agrees that for the terms of this agreement, it will not authorize, sanction, or approve any strike, work stoppage or slow-down, unless the Employer refuses to arbitrate.

Section 4: The union and the employer agree the arbitrator may be selected by mutual agreement or from a panel of seven (7) arbitrators submitted by the Federal Mediation and Conciliation Service (FMCS). Such arbitrators must be members of the American Arbitration Association.

Section 5: The cost of the arbitrator shall be borne equally by each party. Each party shall be responsible for their own representation and witnesses and any associated fees.

Section 6: The arbitrator shall have no authority to add to, subtract from, modify, change, alter, or ignore in any way the provisions of this agreement, or any expressly written amendment or supplement thereto, or to extend its duration unless the parties have expressly agreed, in writing, to give him specific authority to do so, or to make an award which has this effect. The award of the arbitrator so made shall be final and binding on the parties.

Section 7: An arbitrator shall not review more than one issue on the same hearing date or series of hearing dates, except by written agreement between the parties.

Section 8: Employees shall receive pay at their regular hourly rate for time spent in a grievance hearing at the Company's facilities during their regularly scheduled shift.

Section 9: The Employer shall not have the right to discharge or suspend any employee without just cause, but in respect to discharge or suspension shall give at least one warning notice to the employee in writing, and a copy of the same to the Union and job steward affected, except that no warning notice need be given to an employee provided the suspension or discharge is in accordance with other provisions of this Agreement

## ARTICLE IX

### STEWARDS

The Employer recognizes the right of the Union to designate job stewards and alternates from the Employer's seniority list.

Stewards shall be permitted reasonable time to investigate, present and process grievances on the Employer's property without loss of time or pay during the steward's regular working hours. Such time spent in handling grievances during the steward's regular working hours shall be considered working hours in computing daily and/or weekly overtime if within the regular schedule of the steward.

The privilege of stewards to leave their work area during working hours without loss of pay is extended with the understanding that they will first notify their supervisor and the time will be devoted to the prompt handling of grievances and will not be abused. This shall be confined to the Employer's warehouse location. All stewards working in the warehouse shall wear a decal which shall be obtained from the Union, so that all employees will be able to identify the steward. Refusal on the part of a steward to cooperate in being identified as a steward will be reason for the Union to remove such steward from office and the Union's Executive Board will appoint a replacement until the next steward elections are held at contract renewal time.

Any employee required by management to report to the Employer's office for a reprimand conference pertaining to his work performance shall be allowed to have a Shop Steward present.

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## ARTICLE X

### LEAVE OF ABSENCE

Section 1. Any employee desiring and/or requiring a leave of absence shall secure written permission from both the Union and the Employer. The minimum leave of absence shall be for seven (7) days and the maximum leave of absence shall be for ninety (90) days and may be extended for like periods. Permission for extension must be secured from both the Union and the Employer.

During the period of absence the employee shall not engage in gainful employment in the same industry in classifications covered by the Contract. Failure to comply with this provision shall result in immediate discharge of the employee involved.

The employee must make suitable arrangements for continuation of Health and Welfare and pension payments before the leave may be approved by either the Union or Employer.

Section 2. The Employer agrees to grant necessary and reasonable time off, without discrimination or loss of seniority rights and without pay, to any employee designated by the Union to attend a labor convention, or serve in any capacity on other official Union business, provided 48 hours written notice is given to the Employer by the Union, specifying length of time off for Union activities, due consideration shall be given to the number of men affected in order that there shall be no disruption of the Employer's operations due to lack of available employees.

Section 3. Absence for three (3) consecutive days without proper notification shall be considered a voluntary resignation.

Section 4. An employee who fails to report for work as scheduled without properly notifying the Employer shall not be entitled to commence work until the Employer has been properly notified when the employee will return to work.

Employees must notify an Employer daily when unable to report as scheduled, unless an absence has been properly communicated to the Employer. All employees must notify the Employer the day prior to returning to work.

Section 5. Employees who are off work on a personal, non work related disability, will not be required to utilize personal, sick or vacation leave banks while off.

## ARTICLE XI

### LIMITATION OF AUTHORITY AND LIABILITY

Section 1. No employee shall be empowered to call or cause any strike, slow-down, walkout, work stoppage or cessation of employment of any kind whatsoever. Any employee engaged in such actions or activities shall be immediately discharged. The Union shall not be liable for any such activities unless expressly so authorized by or through an agent of the Union.

Section 2. Any individual employee or group of employees who willfully violate or disregard the arbitration and grievance procedure set forth in Article VIII, of this Agreement, may be summarily discharged by the Employer without liability on the part of the Employer or the Union.

Section 3. The authority of the Union stewards shall be limited to acts or functions which said stewards are expressly authorized to perform by the Executive Board of the Local Union.

## ARTICLE XII

### PICKET LINE

Section 1. It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action in the event an employee refuses to enter upon any property involved in a primary labor dispute, or refuses to go through or work behind any primary picket line, including the primary picket line of the Union party to this Agreement, and including primary picket lines at the Employer's place of business.

Section 2. A duly authorized strike to enforce the terms of this Article shall not be a violation of any provision of this Agreement.

## ARTICLE XIII

### STRUCK GOODS

Section 1. It shall not be a violation of this Agreement and it shall not be a cause for discharge or disciplinary action if any employee refuses to perform any service which the Employer undertakes to perform as an ally of an Employer or person whose employees are on strike and which service, but for such strike, would be performed by the employees of the Employer or person on strike.

Section 2. A duly authorized strike to enforce the terms of this Article shall not be a violation of any provision of this Agreement.

## ARTICLE XIV

### MAINTENANCE OF STANDARDS

The Employer agrees that all conditions of employment covered by this Agreement relating to wages, hours of work, overtime differentials and general working conditions shall be maintained at not less than the highest minimum standards required by this Agreement, unless specifically modified by this Agreement, and that conditions of employment shall be improved wherever specific provisions for improvement are required by terms of this Agreement.

It is agreed that the provisions of this Section shall not apply to inadvertent or bona-fide errors made by the Employer or the Union in applying the terms and conditions of this Agreement if such error is corrected within ninety (90) days from the date the error is discovered.

## ARTICLE XV

### GENERAL

Section 1. The Employer agrees that it will allow the proper accredited representatives of the Union access to the plant or warehouse anytime bargaining unit members are working for the purpose of policing the terms and conditions of this Agreement.

Section 2. The Union shall have the right to examine time sheets and any other records pertaining to the computation of compensation of any employee whose pay is in dispute or any other records of the Employer pertaining to a specific grievance.

Section 3. Employees shall not perform services, directly or indirectly, for any person, firm or corporation in competition with any phase of the Employer's business, nor shall employees exploit their connection with the Employer through any outside business activities. Employees involved in such activities shall be discharged

## ARTICLE XVI

### HEALTH AND WELFARE AND PENSION

Section 1. The Company will provide an HMO, Basic, PPO and HAS health care plan to eligible employees as defined in the Agreement. The plans at the initiation of this Agreement in May 2016, or as soon thereafter as possible under the Plan terms and the law will be the Blue Care Network of Michigan HMO, the Sysco Basic, the Sysco PPO and the Sysco HAS plans. The Company will also offer a vision and dental plan to eligible employees as defined in the Agreement. The plans at the initiation of this Agreement in May 2016 or as soon thereafter as possible under the Plan terms and the law will be the Met Life Premium Dental Plan and the VSP vision plan. The Company may change healthcare providers for any plan upon 60 days notice to the Union where the benefits offered by the plan are equal, but not precisely consistent with the plan being replaced. The parties acknowledge that the terms of the family Met Life Premium Dental Plan provide coverage to eligible employees for the employee, the

employee's spouse, and their children for diagnostic and preventative services, basic services and major services as those terms are defined by the Plan up to age 26.

If a regular full-time employee experiences more than \$1,500.00 in covered expenses in the Plan year under the Met Life Premium Diagnostic and Preventative Services, Basic Services and Major Services Dental Plan [non-orthodontic services] Sysco Detroit will reimburse the employee for expenses covered by the dental plan for those services up to an additional \$1,000.00 in the Plan year.

If an eligible employee's dependent utilizes orthodontic services from the age of 19 up to age 26, Sysco Detroit will reimburse the employee of out of pocket expenses consistent with and covered by the terms of the Met Life Premium orthodontics plan for dependents of full-time regular employees no greater than \$2,100 for the lifetime expenses of the dependent receiving such treatment.

Co pays will be set by the Plan. Co pays for prescription drug benefits will mirror future increased co pay contribution changes to the Michigan Conference of Teamsters prescription drug plan throughout the life of this contract.

#### Monthly Employee Contribution

Year	Employee Only	Family
<b>Basic</b>		
2016 Total	\$50.00	\$110.00
<b>HSA</b>		
2016 Total	\$70.00	\$130.00
<b>PPO</b>		
2016 Total	\$90.00	\$150.00
<b>Blue Care Network</b>		
2016 Total	\$105.00	\$190.00

All current employees as of the ratification date of this Agreement (May 26, 2016) are eligible to participate in any of the Plans identified above at their election except as provided below. All employees hired after the ratification date (May 26, 2016) are eligible to participate in the PPO, HSA or Basic Plan, the Met Life Premium Dental Plan, and the Vision Service Plan except as provided below.

Employees who are not eligible for coverage under The Blue Care Network because they reside in Ohio, but who elect its level of coverage, shall subscribe to The Sysco PPO Plan and make employee contributions for that insurance at the rates defined for The Blue Care Network.

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If the coverage under the Sysco PPO Plan results in out of pocket or other expenses which are greater than the expenses the employee would experience under The Blue Care Network Plan, the Company will reimburse those costs.

It is mutually agreed that retirees and their surviving spouse will receive medical benefits (BCN for in-state retirees; similar plan, where available, for out-of-state retirees) until the age of 65 or until they are eligible for Medicare. Coverage for retirees and their surviving spouse will be at the following rate for the duration of the contract:

Retiree Medical Program Rates						
Monthly Self-Contribution Rate Covering Both Retiree and Spouse						
Age at Retirement	Years in Fund 5 - 9	Years in Fund 10 - 14	Years in Fund 15 - 19	Years in Fund 20 - 24	Years in Fund 25 - 29	Years in Fund 30 +
50 - 54	\$440.00	\$400.00	\$360.00	\$320.00	\$280.00	\$200.00
55 - 59	\$340.00	\$315.00	\$290.00	\$270.00	\$245.00	\$180.00
60 - 64	\$240.00	\$230.00	\$225.00	\$215.00	\$210.00	\$160.00
For participants who retired on or before February 6, 2005 - \$50.00						

Eligibility: Retirement eligibility under this section is the same as retirement eligibility requirements under the Sysco Corporation Retirement Plan.

In regards to other benefits currently being offered (not referenced above), including, but not limited to, life insurance, AD&D, short term disability, and long term disability, the Company will maintain the benefits level currently being offered to regular full time employees for the life of this Contract.

Section 2. Full time employees working on or prior to May 26, 2016 covered by this Agreement will be eligible to participate in the Sysco Corporation Retirement Plan and the Sysco Corporation Employees' 401(k) Plan. Participation shall be in accordance with the specific terms and conditions of each Plan. Employees hired after May 26, 2016 shall be eligible for the Sysco Corporation Enhanced 401(k) Plan only and shall not be eligible to participate in the Sysco Corporation Retirement Plan or The Sysco Corporation Employees' 401(k) Plan.

Section 3. Contributions to Blue Care Network HMO and the Sysco PPO, HSA or Basic Plans must be made each month for each regular employee even though each employee may only work part-time under the provisions of this Agreement, including paid vacations.

Section 4. If an employee is injured on the job, the Employer shall continue to pay the required contributions to the Blue Care Network HMO or the Sysco PPO, HSA or Basic Plans until such contributions shall not be paid for a period of more than fifty-two (52) weeks.

Section 5. If an employee is granted a leave of absence, the Employer shall collect from said employee, prior to the leave of absence being effective, sufficient monies to pay the required contributions into the Blue Care Network HMO or the Sysco PPO, HSA or Basic Plans during the period of absence.



Section 6. It is agreed that the Sysco Corporation Retirement Plan will be administered by the Employer in compliance with all applicable laws and regulations, both State and Federal.

Section 7. Employees receiving Company provided Healthcare insurance that are covered by their spouses' Healthcare insurance plan may elect a waiver of employer Healthcare benefits at their option. Once proper documentation is received verifying that alternative Healthcare insurance is in effect, the employee will receive an additional \$20.00 per week included in their paycheck. This will be on an annual election basis only at the beginning of each Healthcare enrollment year.

If an employee should lose the Healthcare provided by their spouse, they will be eligible for reentering the Company provided Healthcare plan other than in the annual enrollment period. Proper documentation of this loss of Healthcare coverage is required.

A potential "Early Retiree" employee who wishes to enroll in the Early Retiree Company Health Insurance program must be covered by the Company Healthcare insurance during the benefit year prior to electing "Early Retiree" status. Otherwise, the "Early Retiree" will not be eligible for these Healthcare benefits.

Section 8. This section of the agreement effected December 26, 1996 controls over any contrary provision of the parties' collective bargaining agreement, supplemental agreement, "Schedule A", or any other contrary agreement or understanding.

## ARTICLE XVII

### EXTRA CONTRACT AGREEMENTS

The Employer agrees not to enter into any agreement with another labor organization during the life of this Agreement with respect to the employees covered by this Agreement; or any agreement or contract with the said employees, individually or collectively, which in any way conflicts with the terms or provisions of this Agreement, or which in any way affects wages, hours or working conditions of said employees, or any individual employee, or which in any way may be considered a proper subject for collective bargaining. Any such agreement shall be null and void.

## ARTICLE XVIII

### MILITARY SERVICE

Any employee on the seniority list inducted into military, naval, marine or air service under the provisions of The Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994, updated in 1996 and again in 1998, shall upon termination of such service, be re-employed in line with his seniority, at the then current rate for such work, provided he has not been dishonorably discharged from such service with the United States Government, is

physically able to do the available work (or able to do the work with reasonable accommodations), and, further, provided he reports for work within ninety (90) days of the date he is discharged from such service with the United States Government.

The Employer shall provide continuation of health benefits for the first 18 months of military leave per the following:

- a. For absences of 30 days or less, benefits continue as if the employee has not been absent.
- b. For absences of 31 days or more, coverage stops unless the employee elects to pay for COBRA coverage (for a period of up to 18 months).
- c. Health insurance must be reinstated the day an employee is reinstated with no waiting period or pre-existing condition limitations. If the employer cannot put the employee back to work immediately upon application, the health insurance must be restored immediately.

Regarding pension, employees continue to accrue service for vesting and benefit accrual while out on approved military leave under USERRA.

The employer is not obligated to pay an employee on a military leave of absence. In addition, there is a 5-year cumulative service limit on the amount of voluntary military leave an employee can use and still retain reemployment rights. However, the 5-year total does not include: involuntary recall to or retention on active duty, voluntary or involuntary active duty in support of war, national emergency, or certain operational missions. Furthermore, reemployment rights would be terminated due to dishonorable or bad conduct discharge.

An employee who fails to report to work or to reapply for employment within the appropriate time frame, under this Article, will be subject to the rules regarding unexcused absences.

In the event the language of the USERRA Act is amended or modified, the parties agree to adopt the language of that statute as controlling in this Agreement upon the effective date of that modification and the language of the USERRA Act will supersede the language in this article.

## ARTICLE XIX

### BONDS

Should the Employer require any employees to give bond, cash bond shall not be compulsory, and any premium involved shall be paid by the Employer.

The primary obligations to procure the bond shall be on the Employer. If the Employer cannot arrange for a bond within ninety (90) days, he must so notify the employee in writing. Failure to so notify shall relieve the employee of the bonding requirement. If proper notice is given, the employee shall be allowed thirty (30) days from the date of such notice to make his own bonding arrangements, standard premiums only on said bond to be paid by the Employer. A

standard premium shall be that premium paid by the Employer for bonds applicable to all other of its employees in similar classifications.

If there is any excess premium to be paid, it shall be paid by the employee. Cancellations of a bond after once issued shall not be cause for discharge, unless the bond is canceled for cause which occurs during working hours, or is due to the employee having given a fraudulent statement in obtaining said bond.

## ARTICLE XX

### LOSS OR DAMAGE

Employees shall not be charged for loss or damage unless clear proof of gross negligence is shown. This Article is not to be construed as permitting charges for loss or damage to equipment under any circumstances.

## ARTICLE XXI

### UNIFORMS

Section 1. It is mutually agreed and understood between the two parties that the Employer shall have the right to establish, amend, change, delete or add to a work uniform policy at its discretion, provided the Employer:

1. Provides written notice to the Union.
2. Post a notice of the change for ten (10) days.

An employee may challenge any such change through the grievance procedure up to ten (10) days from the date posted. Any change so challenged will not take effect during the grievance process.

Section 2. Uniforms required by the Employer shall be furnished by the Employer at the Employer's expense. First consideration shall be given to uniforms produced by a Union Manufacturer.

The Employer shall replace uniforms not meeting the standard required by the Employer, provided, cause is due to normal wear.

Section 3. The employee shall be responsible to maintain the uniform in accordance with the standard set by the Employer; except for normal wear.

Section 4. The employee shall be responsible to replace uniforms lost, stolen or damaged at the employee's expense.

Section 5. Uniforms furnished by the Employer shall be worn for company business only.

## ARTICLE XXII

### EQUIPMENT, ACCIDENTS AND REPORTS

Section 1. The Employer shall not require employees to take out on the streets or highways any vehicle that is not in prescribed by law. It shall not be a violation of this Agreement where employees refuse to operate such equipment unless such refusal is unjustified.

Section 2. Under no circumstances will an employee be required or assigned to engage in any activity involving dangerous conditions of work or danger to person or property or in violation of an applicable statute or court order, or governmental regulation relating to safety of person or equipment.

Section 3. Any employee involved in any accident shall immediately report said accident and any physical injury sustained. When required by his Employer, the employee, before completing his/her shift shall make out an accident report in writing on forms furnished by the Employer and shall turn in all available names and addresses of witnesses to any accidents. Failure to comply with this provision shall subject such employee to disciplinary action by the Employer.

Section 4. Employees shall immediately, or at the end of their shift, report all defects of equipment. Such reports shall be made on a suitable form furnished by the Employer and shall be made in multiple copies, one copy to be retained by the employee. The Employer shall not require any employee to operate equipment that has been reported as being in an unsafe operating condition until same has been approved for use by a supervisor or other authorized person.

When the occasion arises where an employee gives a written report on forms in use by the Employer of a vehicle being in unsafe working operating condition, and receives no consideration from the Employer, he shall take the matter up with the officers of the Union who will take the matter up with the Employer.

Section 5. The Employer shall install heaters, defrosters and windshield washers on all trucks and tractors and keep same in operating condition.

## ARTICLE XXIII

### NEW EQUIPMENT

Section 1. Where new types of equipment for which rates of pay are not established by this agreement are put into use, within operations covered by this Contract, rates governing such operations shall be subject to negotiations between the Employer and the Union. Rates agreed upon shall be effective as of date the equipment is placed in service.

Section 2. In the event the Employer and the Union are unable to agree on a rate, it is agreed that the subject of rate may be submitted to arbitration in accordance with the grievance procedure.

#### ARTICLE XXIV

##### WORKERS COMPENSATION

The Employer agrees to cooperate toward the prompt settlement of employee on-the-job injury claims when such claims are due and owing. The Employer shall provide workers compensation protection for all employees.

An employee who is injured on the job, is unable to complete his/her scheduled shift and requires medical attention, shall receive pay at the applicable hourly rate for the balance of his/her regular shift on the day the injury occurred, provided, such medical attention is provided as authorized by the Employer.

An employee who has returned to his regular duties after sustaining a compensable injury who is required by the Employer's authorized attending physician to receive additional medical treatment during his/her regularly scheduled working hours shall receive his/her regular hourly rate of pay for such time.

#### ARTICLE XXV

##### JURY DUTY

Seniority employees shall be compensated by being paid the difference between their earnings as a juror and eight hours pay. Such compensation shall be payable only if the employee gives the company prior notice of the jury duty summons and presents proper evidence of performance of jury duty and the amount paid by the court. Time paid under this benefit will not be calculated as hours worked for the purpose of paying overtime premiums. The maximum benefit paid per year is 10 days.

#### ARTICLE XXVI

##### SEPARABILITY AND SAVINGS CLAUSE

If any Article or Section of this contract or any riders thereto should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained pending a final determination as to its validity, the remainder of this Contract and of any Rider thereto, or the application of such Article or Section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

In the event that any Article or Section is held invalid or enforcement of our compliance with which has been restrained as above set forth the parties affected thereby shall enter into immediate collective bargaining negotiations, upon the request of the Union for the Purpose of arriving at a mutually satisfactory replacement for such Article or Section during the period of

invalidity or restraint. If the parties do not agree on a mutually satisfactory replacement, either party shall be permitted all legal or economic recourse in support of its demands notwithstanding any provision in this Contract to the contrary.

## ARTICLE XXVII

### TERMINATION OF AGREEMENT

Section 1. This Agreement shall be in full force and effect from February 6, 2016, to and including February 6, 2021, and shall continue in full force and effect from year to year thereafter unless written notice of desire to cancel or terminate the Agreement is served by either party upon the other at least sixty (60) days prior to date of expiration.

Section 2. It is further provided that where no such cancellation or termination notice is served and that parties desire to continue said Agreement but also desire to negotiate changes or revisions in this Agreement, either party may serve upon the other a notice, at least sixty (60) days prior to February 6, 2017, or February 6th of any subsequent contract year, advising that such party desires to continue this Agreement but also desires to revise or change terms of conditions of such Agreement. The respective parties shall be permitted all lawful economic recourse to support their request for revision if the parties fail to agree thereon.

Section 3. It is understood and agreed between the parties that the provisions contained in Schedule "A" hereto attached, may be reopened for negotiations between the parties February 6, 2016, provided that the party desiring to reopen serves notice in writing upon the other party at least sixty (60) days prior to February 6, 2021. If no such notice is given the said Schedule "A" shall continue on from year to year. In the event the parties cannot agree upon the requested revisions in Schedule "A", the Union shall have the right to strike in support of its demands, notwithstanding any provision of this Contract to the contrary.

Section 4. It is further agreed by the parties hereto that upon receiving proper cancellation notice or amendment notice to this Agreement the parties agree to start negotiations at least forty-five (45) days before the expiration or amendment date of this Agreement.

Section 5. In the event of an inadvertent failure by the Union to give the notice set forth in Section 1,2, and 3 of this Article, such party may give such notice at any time prior to the termination or automatic renewal date of this Agreement. If a notice is given in accordance with the provisions of this Section, the expiration date of this Agreement shall be the sixty-first (61st) day following such notice.

Section 6. In the event of war, declaration of emergency or imposition of civilian controls, during the life of this Contract, either party may reopen the same upon sixty (60) days written notice and request re-negotiations of matters dealing with wages and hours. upon failure of the parties to agree in such negotiations, either party shall be permitted all lawful economic recourse to support their request for revisions. If governmental approval of revisions should become necessary, all parties will cooperate to the utmost to attain such approval. The parties

agree that the notice provided herein shall be accepted by all parties as compliance with the notice requirements of applicable law, so as to permit economic action at the expiration thereof.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

COMPANY

Sysco Detroit L.L.C.

UNION

LOCAL UNION NO. 337 AFFILIATED  
WITH THE INTERNATIONAL  
BROTHERHOOD OF TEAMSTERS,  
CHAUFFEURS, WAREHOUSEMEN AND  
HELPERS OF AMERICA

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President

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Recording Secretary for the Committee

*a.s. Paul*

## SUPPLEMENTARY AGREEMENT

### Schedule "A"

#### ARTICLE I

#### WAGES AND HOURS

##### 1. WORK WEEK

(A) The regular work week shall consist of scheduled workdays (not necessarily consecutive) of at least 40 hours per payroll period which begins on or after Sunday and ends not later than Saturday.

(B) Daily and weekly work schedules shall be made at the sole discretion of the Employer and such schedules may be changed by the Employer to accommodate varying business conditions.

Changes deemed necessary by the Employer will be made known to the affected employees at least one (1) day in advance, where possible.

##### 2. SENIORITY LIST

(A) All employees covered by this Agreement shall be placed on a seniority list in order of first day worked except those employees during their 90 day probationary period who are injured shall have their seniority date shifted from their date of hire to the date they return from workers compensation, medical leave or from an alternative duty job and must still complete their probationary period.

(B) The parties agree that said casual employees shall be paid at the rate listed in Supplementary Agreement Schedule "A", Article I, Section 7.

Said casual employees shall not be entitled to any fringe benefits. It is agreed and understood that these employees shall absolutely not be entitled to any benefits enjoyed by the full-time regular seniority employees under the Contract Agreement.

(C) The Employer agrees to create a preferential hiring list for casuals whereby they are elevated to regular seniority status by seniority. After 12 months, a casual will either be added to the regular seniority roster or will be deleted from the casual list. Casuals will be utilized only to replace bargaining unit employees on a one-for-one basis for any absenteeism, no matter what the case, i.e., vacations, illness, discipline, etc. The company shall have the right to use 10% casuals in addition to the work force after casuals are used for one-for-one replacements excluding the use of additional casual employees for the first 30 days of training. Training involves a trainer and a trainee. However, it is understood that the union will work with the company if it needs to use more casuals than necessary for



absences in unusual and peak period circumstances only. The steward will be consulted prior to usage of casuals in this manner.

The parties agree that if the Employer violates Article I, Wages and Hours, Sub Paragraph 2 (B), five (5) times in any given month, the Union shall have the right to file a grievance requesting the most senior employee capable of performing the work in said classification will receive the wage for the hours worked by said employee who has actually violated the Schedule "A", Article I, "B" of the Supplementary Agreement.

(D) The parties agree that the Employer shall have the absolute right to discharge any employee who is classified as a "casual employee" at its sole discretion.

(E) The Employer agrees to provide the union steward with a list of the casual employees working on any given day.

(F) Casual employees will be allowed to bid for regular seniority positions within the bargaining unit as job openings develop provided, however, that no full-time regular seniority employee bids on these positions.

### 3. REGULAR SENIORITY LIST EMPLOYEES

(A) All regular seniority employees covered by this Agreement shall be guaranteed forty (40) hours of work each work-week, unless absent for any cause not originating with the Employer.

The hours of work so guaranteed shall be composed of 3, 4 or 5 day work weeks of at least 8 hours per day. The regular work week, i.e., five consecutive days, will remain at 5 days at 8 hours per day.

A split work week in the Warehouse will be based on a voluntary basis according to shift, ability and seniority.

Any employee on a 4 day work week bid will have at least 2 consecutive days off and guaranteed at least one day off on the weekend.

If an employee is called in to work on their scheduled day off, that day will be a premium day as long as the employee completes their scheduled work week.

An alternative work week would be any week other than a regular work week.

Any variation from this schedule will be limited to 25% of those Drivers on the full time seniority list excluding domicile drivers. The drivers on this list shall move up (or down) by attrition and new hires. The limit of 25% can only be exceeded for those who wish to voluntarily bid for the alternative work week.

(B) Each day not actually worked, for which payment is required, or would be required if the employee were otherwise eligible, under the vacation leave, holiday, personal leave or funeral leave provisions of this Agreement, shall be credited against the guaranteed forty (40) hours in an amount equal to the hours scheduled to be worked.

(C) Hours not actually worked for which payment is required under the call-in provisions of this Agreement shall be credited against the guaranteed forty (40) hours.

#### 4. CASUAL EMPLOYEES ON THE SUPPLEMENTAL LIST

(A) The parties agree that casual employees that have become full-time regular seniority employees shall be placed on the full-time regular seniority list.

(B) These casual employees that have become full-time regular seniority employees will be eligible to participate in the Sysco Corporation Employees' enhanced 401(k) Plan if they are hired on or after May 26, 2016 and will be eligible to participate in the Sysco Corporation Retirement Plan if they are hired prior to May 26, 2016.

(C) Employees on the casual employees list shall not be entitled to the guaranteed hours provided for in Section 3.

(D) Employees on the casual employees list shall not be entitled to benefits limited to full-time regular seniority list employees.

Effective February 6, 2000, any and all casual employee hired shall not be entitled to any fringe benefits as provided for under the contract agreement for full-time regular seniority employees.

(E) Casual employees will have the right to initiate grievances after 180 days of employment.

#### 5. OVERTIME

(A) Employees shall be paid one and one-half (1-1/2) times their straight time hourly rate for all hours worked in excess of forty (40) hours per week.

(B) All time worked in excess of the employees daily scheduled hours shall be paid at the rate of one and one-half (1-1/2) times the straight time hourly rate, provided:

That a minimum of forty (40) hours of regular time pay has been achieved. Regular hours is defined as regular straight time hours plus personal, sick, float and holiday hours that count towards the calculation of overtime and any non compensated time off approved by management.

(C) In the event overtime work is required of warehouse employees, the Employer will notify the employees affected at least one hour before the end of the employee's regular scheduled shift.

Overtime Shall Be:

1st Offered by seniority within the job classification normally performing the work and then reverse seniority shall be used to assign remaining overtime requirements

2nd Offered by seniority and ability to perform the work within the work area where the work will be performed and then reverse seniority and ability to perform the work shall be used to assign remaining overtime requirements.

3rd Offered by seniority and ability to perform the work within the shift on which the work will be performed and then reverse seniority and ability to perform the work shall be used to assign remaining overtime requirements.

6. ABSENCE

(A) Employees shall not be compensated for absence for any cause not origination with the Employer, except as otherwise provided herein.

7. MINIMUM HOURLY WAGE RATES - EFFECTIVE FEBRUARY 6, 2016  
THROUGH DURATION OF THIS AGREEMENT

PAYROLL CLASSIFICATION

Tier 1

	<u>2/07/16</u>	<u>2/05/17</u>	<u>2/04/18</u>	<u>2/03/19</u>	<u>2/02/20</u>
1. Driver	\$24.22	\$24.77	\$25.32	\$25.87	\$26.42
2. Mechanic	\$24.22	\$24.77	\$25.32	\$25.87	\$26.42
3. Checker Stock Clerk	\$23.05	\$23.60	\$24.15	\$24.70	\$25.25
4. Whse Power Lift Operator	\$23.00	\$23.55	\$24.10	\$24.65	\$25.20
5. Warehouse Order Selector	\$22.93	\$23.48	\$24.03	\$24.58	\$25.13
6. Driver Helper	\$17.25	\$17.80	\$18.35	\$18.90	\$19.45
7. Light Duty Classification same as time of injury					
8. Straight Truck	\$18.25	\$18.80	\$19.35	\$19.90	\$20.45
Over 26,000 #GVW, CDL Class B-License.					
9. S Grade Garage	\$18.25	\$18.80	\$19.35	\$19.90	\$20.45
Very light mechanical work, cleaning, fueling, changing parts and other misc. garage support activities.					

It is mutually recognized and agreed that the mechanic wages are minimal rates and that mechanics with different pay levels maintain their rates and receive all hourly pay raises negotiated for all classifications into the contract.

10. Class A Mechanic -- Current mechanics wage minimum up to the industry standard.

## Tier 2

	<u>2/07/16</u>	<u>2/05/17</u>	<u>2/04/18</u>	<u>2/03/19</u>	<u>2/02/20</u>
11. Driver (hired on or after 3/7/11)	\$21.22	\$21.77	\$22.32	\$22.87	\$23.42
12. Warehouse Order Selector (hired on or after 3/7/11)	\$19.93	\$20.48	\$21.03	\$21.58	\$22.13

Every Tier 2 employee shall receive an annual supplemental \$.60 per hour in base wages beginning on the date of the annual wage increase in this Agreement for a 5 year period. Tier 2 employees hired after the ratification date of this agreement (May 26, 2016) will receive the annual \$.60 increase in wages once they have completed at least 1 year of service on the same dates provided for all other employees. At the conclusion of the 5 years of service beginning on the effective date of this Agreement all current and future Tier 2 employees shall be considered Tier 1 employees.

## Casual Employee

	<u>2/07/16</u>	<u>2/05/17</u>	<u>2/04/18</u>	<u>2/03/19</u>	<u>2/02/20</u>
13. Casual Order Selector (hired on or after 3/7/11; not eligible for shift differential or freezer premium) Note: Casual employees hired before 3/7/11 will be frozen at their current wage rate.	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00
14. Casual Driver (hired on or after 3/7/11)	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00

## WAGES

- (A) Light Duty Classification: Those employees in this classification shall be entitled to their wages, pension, health & welfare and the other fringe benefits provided for under this agreement at the time of injury. Those employees who participate in this classification, if any, shall be at the sole discretion of the company and their injury must have been work related. The company shall solely determine what jobs are to be performed under this classification provided that any work assigned to such employees shall be approved by the treating physician. It is not the intent of the company to reduce the hours worked by regular full-time seniority employees. These employees will not be performing bargaining unit work.
- (B) Casuals will be paid at the rate listed in Supplementary Agreement Schedule "A", Article I, Section 7. The first day of work for a casual that has been moved to regular full-time seniority status for seniority purposes is the first day of employment.

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8. CALL-IN PAY

Any regular full-time seniority list employee reporting to work and whose services shall not be required for the scheduled work-day shall be paid for at least five (5) hours time unless more than five (5) hours are worked. Payments for time not actually worked required by this Section will not be computed towards overtime. An employee who does not call in or give notice and is late by more than half an hour, does not receive the five hour guarantee of pay; and the employee who calls in or gives notice and is late by more than one hour, does not receive the five hour guarantee of pay.

9. LUNCH PERIODS

Employees scheduled to work more than six (6) hours in any work-day shall have one (1), thirty (30) minute lunch period without pay, to start not earlier than the beginning of the fourth hour of work and end not later than the start of the seventh hour of work.

10. REST BREAK

All employees shall receive a ten (10) minute rest break with pay during the third, seventh and ninth hour and each additional two hours of work thereafter.

All freezer employees who are working a major portion of their time in the freezer and work for a continuous 90 minute period, shall be entitled to a fifteen (15) minute rest break with pay or the opportunity to take their scheduled 30 minute lunch break. An example of such a schedule would be:

Start	6:30 - 8:00:	break 15 min.
Work	8:15 - 9:45:	break 15 min.
Work	10:00-11:30:	lunch 30 min.
Work	12:00- 1:30:	break 15 min.
Work	1:45 - 3:00:	work completed

11. FREEZER PREMIUM

Freezer room employees who work a major portion of their time in a freezer handling frozen foods shall receive a premium of twenty-five cents (.25) per hour above their regular hourly wage.

12. SHIFT DIFFERENTIAL

(A) All employees shall receive forty cents (.40) per hour above their straight time hourly rate for all work performed on any shift starting between the hours of noon (12:00) p.m. and six (6:00) p.m.

(B) All employees shall receive fifty cents (.50) per hour above their straight time hourly rate for all work performed on any shift starting between the hours of six (6:00) p.m. and three (3:00) a.m.

### 13. UNION TOOL PROGRAM

1. \$400.00 annual tool allowance to maintain and upgrade.
  - (a) money to be paid in increments of \$100.00 in the first pay period per quarter.
  - (b) a receipt totaling at least \$100.00 must be turned in by the employee for each quarter to qualify for the next quarter.
2. Tools to increase work performance (air tools).
  - (a) the company will repair or replace worn air tools used on the job.
  - (b) a list of designated air tools will be supplied by the company at the discretion of the Garage Manager.

### 14. INCENTIVES

The Employer retains the right to add incentive programs during the life of this Agreement. The Employer also retains full authority to limit the duration of any such incentive program and is under no obligation, contractually or otherwise, to continue with, or offer, any such incentive program. The Employer will advise the Union in writing of any such incentive prior to implementation or modification. Production data recorded during the incentive duration will not be used to calculate or derive a warehouse production standard. Any compensation paid to the employees as a result of Employer incentive programs will not be subject to the provisions of article XIV Maintenance of Standards of this agreement.

## ARTICLE II

### VACATION LEAVE

#### 1. ELIGIBILITY

(A) The vacation year will run on a calendar basis; January 1st to December 31st and only employees on the regular seniority list shall be eligible for vacations.

All vacations will be earned on their anniversary date, but can be taken at any time during the calendar year in which their anniversary falls. Any anniversary year in which the employee earns an additional increment of vacation (1 year, 2 years, 8 years, 15 years), should they take that incremental week before their anniversary date, they will be required to sign a document stating that should they leave the Company before their anniversary date, they will reimburse the Company for that one (1) incremental week of paid vacation.

(B) Eligible employees shall be entitled to one (1) week of vacation leave after they have attained one (1) year of seniority. They will be allowed to take that one week at any time during the calendar year in which their one year anniversary falls; in accordance with the requirements of Item A above for incremental vacation.

(C) Eligible employees shall be entitled to two (2) weeks of vacation leave after they have attained two (2) years of seniority. They will be allowed to take both weeks at any time during the calendar year in which their two (2) year anniversary falls; in accordance with the requirements of Item A above for incremental vacation.

(D) Eligible employees shall be entitled to three (3) weeks of vacation leave after they have attained eight (8) years of seniority. They will be allowed to take the three (3) weeks at any time during the calendar year in which their eight (8) year anniversary falls; in accordance with the requirements of Item A above for incremental vacation.

(E) Eligible employees shall be entitled to four (4) weeks of vacation leave after they have attained fifteen (15) year of seniority. They will be allowed to take the four (4) weeks at any time during the calendar year in which their fifteen (15) year anniversary falls; in accordance with the requirements of Item A above for incremental vacation.

(F) Employees with 25 years of service shall become eligible for a fifth week of annual paid vacation.

## 2. VESTING

(A) Vacation leave for all eligible employees shall become vested on January 1st of each year in accordance with the eligibility requirements (A) through (F) above.

(B) Employees shall receive vacation leave only for vested vacations except as provide for below:

Upon reaching any anniversary which would give an employee an increment, the employee shall receive vacation leave equal to the increment between the anniversary date that caused the increment and December 31.

## 3. AMOUNT OF VACATION PAY

(A) Eligible employees shall receive vacation pay for each week of vacation leave equal to the previous calendar year's gross wages reported on the employee's Federal W-2 divided by 52 weeks (53 in years with 53 pay periods), except in the case of an employee who is receiving vacation leave for the first time, in which case the divisor shall be the number of Employer payday from the employee's seniority date through December 31. Employees that missed less than 65 working days during the previous calendar year for work related injuries shall receive vacation pay for each week of vacation leave equal to the previous calendar year's gross wages reported on the employee's Federal W-2 divided by 52 weeks (53 in years with 53 pay periods) or their previous year's base wage (from Schedule A, Article I, Section 7) times 40 hours, whichever amount is greater.

(B) If an employee schedules a vacation during a holiday week of which payment is required per the contract, the top 1/3 of the seniority list employees shall have the option of either the prior Friday or subsequent Monday of their vacation week off by seniority or, an additional day's pay, or, may schedule another vacation day during the year.

The 2nd 1/3 seniority list employee shall have the option of either an additional day's pay or may schedule another vacation day during the year.

The bottom 1/3 seniority list employee shall have the option of either an additional day's pay or may schedule another vacation day during the year.

The domicile drivers will be limited to no more than one (1) driver off at a time for vacation where there are 3 or less drivers based and have a separate vacation schedule.

Any fractional employee shall be rounded up to the next whole number when computing the 1/3 increments beginning with the top 1/3 seniority list.



(i.e.) 10 employees would be:

top 1/3	-	4
2nd 1/3	-	3
bottom 1/3	-	3

(C) Vacation pay shall be paid to the employee on the payroll check before the vacation leave, provided that the vacation leave was scheduled two weeks or more prior to the start of the vacation leave.

(D) Employees with more than one week of vested vacation leave shall be allowed to receive pay in lieu of taking the vacation time off for all but one week of their vacation time. A minimum of one week of vacation must be taken by any employee that has vested vacation time.

Employees interested in receiving pay in lieu of taking vacation time off must indicate this desire in writing to the Company by February 15. Payment for this vacation time will then be made to the employee at the end of the second full week in December. Payment in lieu of taking vacation time off will be made in full-week increments only.

Employees with only one week of vested vacation time off during the calendar year will not be allowed to take pay in lieu of the vacation time off.

#### 4. TIME FOR VACATION LEAVES OF ABSENCE

(A) The Employer shall permit a minimum of seven percent (7.0%) of the work force on vacation throughout the year with no restricted weeks.

(B) Subject to Subsection (A) above, vacation request shall be granted according to seniority.

(C) Any employee who has vested vacation and is separated from his employment for any reason shall be paid the amount vested at the time of separation.

(D) Employees shall not be allowed to more than two (2) consecutive weeks of vacation, except with the consent of the Employer and Union.

(E) The Employer will post a vacation schedule by January 5th of each year. If an employee has not selected vacation dates by February 15th, the Employer may complete the schedule and set the vacation dates.

### ARTICLE III

#### HOLIDAYS

##### 1. ELIGIBILITY

Only full-time employees on the regular seniority list shall be entitled to holiday pay. Casual employees are eligible for paid holidays as referenced in Section (2D) below.

No employee shall be eligible or paid for any of the aforementioned holidays who for any reason does not work their scheduled workday, including overtime, immediately prior to the holiday and the scheduled workday immediately following the holiday.

##### 2. PAID HOLIDAYS

(A) Eligible employees shall be granted eight (8) hours of pay for the following holidays: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, the employee's birthday or any other mutually agreed upon day and Christmas Day, the actual 8 hrs to be determined by the employee's regular shift holiday and regular scheduled work week. Employees working a split work week schedule or four (4) day work week will automatically be assigned the holiday as their regular day off for all weeks containing a holiday and will be paid according to their regular number of hours scheduled at their established hourly rate.

(B) No employee shall be required to work on Labor Day.

(C) On the eve of Christmas and New Years Day, employees working past five p.m. (5:00) will be paid at the rate of double time and employees scheduled for shifts continuing after five p.m. (5:00) may be called in at an earlier starting time to permit the performance of their work. It is not the intent to schedule an employee after five p.m. (5:00). However, double time will be paid for hours worked over five p.m. (5:00). If hours are worked.

(D) Casual employees who have attained ninety (90) calendar days, who work the scheduled day before and after the following list of holidays shall be granted eight (8) hours of pay. Casual employees working a split work week schedule or four (4) day work week will automatically be assigned the holiday as their regular day off for all weeks containing a holiday and will be paid according to their regular number of hours scheduled at their established hourly rate.

The holidays are:

- New Years Day
- Memorial Day
- 4th of July
- Labor Day
- Thanksgiving Day
- Christmas Day

3.

### HOLIDAYS WORKED

(A) In addition to the pay required by Section 2 (A) above, all hours worked on the holiday, shall be paid at twice (2) the straight time hourly rate.

(B) If any holiday falls within the thirty (30) day period following the employee's layoff due to lack of work, and such employee is also recalled to work during the same thirty (30) day period, the employee shall receive eight (8) hours pay at straight time for each holiday that occurred within said thirty (30) day period.

An employee who was laid off because of lack of work and is not recalled to work within the aforementioned thirty (30) days period is not entitled to the extra pay upon his return.

## ARTICLE IV

### PERSONAL LEAVE

#### 1. ELIGIBILITY

Employees on the regular seniority list with one (1) year or more of seniority on January 1st shall be entitled up to a maximum of eight (8) paid sick days and two (2) paid personal leave days during the following 12 month (Jan-Dec). It is agreed that casuals who are put on the regular full-time seniority roster will be granted one (1) of each for a total of two (2) days on the first of the month after becoming a full-time regular seniority employee. This number will be increased by two (2) on the first of each subsequent January 1st until reaching a total of ten (10).

Eligibility	Sick Day	Personal Day	Total
First of the month after becoming a full-time regular seniority employee	1	1	2
1st subsequent January 1st after becoming a full-time employee	3	1	4
2nd subsequent January 1st after becoming a full-time employee	4		4
Total sick & personal days	8	2	10

#### 2. AMOUNT OF PAY

- (A) Payment for personal leave days shall be for eight (8) hours pay at the employee's straight time hourly rate.
- (B) Paid personal leave hours will be computed towards weekly overtime.
- (C) Personal leave days must be scheduled a minimum of 48 hours in advance.
- (D) Sick days will be paid conditional upon call-in at least one (1) hour before the employee's regular starting time. If an employee works less than one half (1/2) of their regularly scheduled shift, they will be charged a sick day. If an employee works more than one half (1/2) of their regularly scheduled shift but fails to complete their shift (including overtime), they will be charged one half (1/2) of a sick day.

*dfp*

### 3. UNUSED PERSONAL LEAVE DAYS

(A) The employer shall pay all employees by the end of the second full week of Dec. of each year for any unused sick days or personal leave time remaining from the prior year. If an employee uses a personal leave day or sick day after receiving payment for their unused personal leave days or sick days, the employee will be entitled to take the time off as an unpaid day.

(B) Employees shall not be paid for unused personal leave days or unused sick days in the event of separation or termination from the Company for any reason.

### 4. PERSONAL DAY USAGE

The Company will allow 1% of employees, by vacation department with a minimum of 1 per department, to schedule a personal day with no blocked days. For drivers, the Company will allow 2% of drivers on Tuesdays, Wednesdays, and Thursdays. Day selection will be on a first come, first served basis on a daily basis.

## ARTICLE V

### FUNERAL LEAVE

When an employee on the regular seniority list is absent from work due to a death in their immediate family and actually attends the funeral, the employee may receive up to three (3) consecutive days off, one day of which must be the day of the funeral. Consecutive days off shall include an employee's scheduled days off and the employee will be paid (their regular pay per day) for only those scheduled work days lost. By immediate family is meant: parent, brother, sister, wife, children, grand parents, parents-in-law, step-children, or grand children. In the event of the death of the current legal spouse or child(ren), an additional two (2) consecutive paid days off will be granted. For relatives, i.e., sisters-in-law & brothers-in-law, the employee shall be entitled to one (1) day off (day of the funeral if attends).

Note: If out of state travel is necessary to attend a funeral, additional unpaid time off will be considered after proper documentation is received.

## ARTICLE VI

### MEDICAL EXAMINATIONS AND TESTS

(A) Physical, mental or other examinations and/or test required by a governmental agency or the Employer shall be promptly complied with by all employees, provided, however, the Employer shall pay for all such examinations and/or tests.

*ok*

The Employer shall be responsible for compensating the employee only for examinations and/or tests required by the Employer and then only for time spent at the place of examination and/or tests, unless the Employer requires the employee to take the examinations and/or tests during their scheduled working hours. In such case, the employee shall be compensated as though at work through the completion of the examination and/or tests provided that such compensation shall not continue after the end of the employee's scheduled work day.

(B) The Employer reserves the right to select its own medical examiner or physician.

(C) Under no circumstances shall this Article be interpreted to require the Employer to pay for any time and/or expense incurred by an employee to obtain any license or other certification required by any governmental agency in the performance of their job.

(D) Refusal by an employee to take a test for alcohol or illegal drugs and/or stimulants shall subject such employee to automatic discipline under the appropriate Work Rule.

## ARTICLE VII

### JOB CLASSIFICATIONS AND BIDS

Section 1. It is mutually agreed and understood between the two parties that the Employer shall have the right to establish, amend, change, delete or add to job classifications at its discretion, provided the Employer:

1. Provides written notice to the Union.
2. Post a notice of the change for ten (10) days.

An employee may challenge any such change through the grievance procedure up to ten (10) days from the date posted.

Each employee on the regular seniority list shall be assigned to a job classification through the bid procedure outlined in section 2 below.

Section 2. Permanent job openings - openings that will exceed or are expected to exceed thirty (30) days.

(A) The Employer shall post permanent job openings for seven (7) working days.

Employees may bid for job openings only during this seven (7) day period.

(B) Job openings will be filled from bids submitted on the basis of an employee's seniority, qualifications and ability.

Employees transferred through such procedure, will be given a thirty (30) days worked probationary period on the job to which they were transferred. It is agreed that time paid but not actually worked does not constitute completion of this trial period and that it is automatically extended up to a maximum of sixty (60) working days to cover these situations on a day-for-day basis. An employee awarded a job bid may return to his previous job before the completion of his trial period.

Probationary periods may also be extended to sixty (60) working days on the job by request of either the employer or union.

(C) An employee awarded two (2) bids in a one year period is not entitled to an additional bid until one year after the first bid.

(D) Any employee transferred permanently from a higher classification to a lower classification, shall receive the rate of pay established for the lower classification.

Section 3. Temporary job openings - openings that will be or are expected to be for less than thirty (30) days and absence exceeding thirty (30) days when the employee is expected to return.

(A) Unscheduled:

1. The Employer shall have the right to determine the job classification from which the temporary openings will be filled.

2. Employees within the job classification selected shall be offered the opportunity to fill the temporary opening based on seniority, qualifications and ability, and then reverse seniority and ability to perform the work may be used to fill the opening.

3. Any employee transferred temporarily from a job with a lower payroll classification to a job with a higher payroll classification shall receive the rate of pay established for the higher classification. If more than four (4) hours are worked in the higher classification during the shift, the employee shall be paid for all hours worked during the shift at the higher classification rate.

4. Any employee transferred temporarily from a higher classification to a lower classification shall retain his higher rate of pay during the temporary period.

(B) Scheduled at least two (2) work days prior to start of shift (excluding vacation leaves):

By seniority within department and work force receiving same shift differential.

Section 4. Vacation leaves for warehouse employees scheduled in accordance with Schedule "A" - Article II, Vacation Leaves.

(A) The Employer shall post a warehouse vacation leave bid for each shift's vacation immediately after the vacation leave schedule is completed.

(B) Employees may sign the bid list of their choice that results in a lower shift differential than currently received. Employees may select specific weeks or request all available weeks.

(C) Bids shall be awarded based on seniority and ability to perform the work.

(D) An employee who chooses not to fill a vacation leave after having been awarded a bid shall be immediately removed from the vacation leave bid list.

Section 5. Warehouse Bid Language:

When there is a permanent bid position elimination on the day shift, the Company will bid afternoon and night shift positions. When there is a permanent bid position elimination on the afternoon shift, the Company will bid afternoon and night shift positions. When there is a permanent bid position elimination on the night shift, the Company will bid night shift positions above Order Selector.

Section 6. Extra drivers shall be awarded routes by their familiarity with the routes to be assigned. Where multiple drivers have serviced an available route within the past six (6) months, the most senior of the extra drivers' pool will have the option to decide if they want that route. Where none of the available drivers has serviced the available route for the past six (6) months, the most senior driver desiring the route will be assigned to the route.



ARTICLE VIII  
DRESS AND APPEARANCE CODE

Section 1. Both parties recognize that it is to their mutual interest and to the best interests of both the Employer and its employees to have a clean, neat and orderly appearance.

Section 2. The Employer shall have the right to amend, change, delete or add to the following Dress and Appearance Code and penalties for their violation, provided the Employer:

1. Provides written notice to the Union.
2. Post a notice of the change for ten (10) days.

An employee may challenge any such change through the grievance procedure up to ten (10) days from date posted. Any change so challenged will not take effect during the grievance process.

Section 3. Employees who fail to comply with the Dress and Appearance Code shall be suspended until in compliance.

Section 4.

(A) The following are prohibited for all employees:

1. Personal uncleanliness.
2. Scant or torn clothing.
3. Cloth shoes and tennis shoes.
4. Tank tops.
5. Cut-offs.

(B) The following are prohibited for employees who have contact with the public and/or customers of the Employer:

1. Handlebar mustaches or mutton chop sideburns.
2. Hair should be neatly trimmed (above collar).
3. Mustache neatly trimmed is acceptable.

**WORK RULES AND REGULATIONS**

It is essential to the successful operation of the business and the welfare of the entire employed group that fairly established standards of discipline, health, safety, attendance, workmanship and honesty be maintained. Willful disregard or violation of these rules and regulations or incapacity to meet such established standards will subject an employee to a reprimand or discharge, when in the judgment of management circumstances so warrant.

The Employer shall have the right to amend, change, delete or add to the following Work Rules and Regulations and penalties for their violation, provided the Employer:

1. Provides written notice to the Union.
2. Post a notice of the change for ten (10) days.

An employee may challenge any such change through the grievance procedure up to ten (10) days from date posted. Any change so challenged will not take effect during the grievance process.

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# **EXHIBIT 2**

AGREEMENT

Effective February 6, 2011  
Through February 6, 2016

Between

Sysco Detroit, L.L.C.

and

INTERNATIONAL BROTHERHOOD OF TEAMSTERS,  
CHAUFFEURS, WAREHOUSEMEN AND HELPERS  
OF AMERICA, LOCAL 337

The Agreement is made between the undersigned Company, Sysco Detroit, L.L.C. at 41600 Van Born Road, Canton, Michigan, hereinafter referred to as the Employer, and the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, Local 337, hereinafter referred to as the Union.

Whereas, both parties are desirous of preventing strikes and lockouts and other cessation of work and employment; and of maintaining a uniform wage scale, working conditions and hours of employees of the Employer, and of facilitating peaceful adjustment of all grievances which may arise from time to time between the Employer and his employees; and of promoting and improving peaceful industrial and economic relations between the parties.

We firmly believe that the continuing success of Sysco Detroit, L.L.C. depends on the use of the abilities of all employees without regard to their race, color, sex, religion, age, national origin, handicap, marital status, height or weight.

We subscribe to a policy of equal employment opportunity and will conduct all practices relating to recruitment, assignment, promotion, training, compensation, benefits, discipline and termination in a manner that complies with all applicable federal and state laws.

## TABLE OF CONTENTS

Article I	Recognition, Union Shop and Dues	Pg. 3-4
Article II	Management Rights	Pg. 5
Article III	Subcontracting	Pg. 5-6
Article IV	Wages	Pg. 6-7
Article V	Transfer of Company Title or Interest	Pg. 7
Article VI	Seniority	Pg. 8-9
Article VII		
Article VIII	Arbitration and Grievance Procedure	Pg. 9-11
Article IX	Stewards	Pg. 11
Article X	Leave of Absence	Pg. 12
Article XI	Limitation of Authority and Liability	Pg. 13
Article XII	Picket Line	Pg. 13
Article XIII	Struck Goods	Pg. 13
Article XIV	Maintenance of Standards	Pg. 14
Article XV	General	Pg. 14
Article XVI	Health and Welfare and Pension	Pg. 15-16
Article XVII	Extra Contract Agreements	Pg. 17
Article XVIII	Military Service	Pg. 17-18
Article XIX	Bonds	Pg. 18
Article XX	Loss or Damage	Pg. 18
Article XXI	Uniforms	Pg. 18-19
Article XXII	Equipment, Accidents and Reports	Pg. 19-20
Article XXIII	New Equipment	Pg. 20
Article XXIV	Workers Compensation	Pg. 20
Article XXV	Jury Duty	Pg. 21
Article XXVI	Separability and Savings Clause	Pg. 21
Article XXVII	Termination of Agreement	Pg. 22-23

### Supplementary Agreement, Schedule "A"

Article I	Wages and Hours	Pg. 24-30
Article II	Vacation Leave	Pg. 31-33
Article III	Holidays	Pg. 34-35
Article IV	Personal Leave	Pg. 36-37
Article V	Funeral Leave	Pg. 37
Article VI	Medical Examinations and Tests	Pg. 37-38
Article VII	Job Classifications and Bids	Pg. 38-40
Article VIII	Dress and Appearance Code	Pg. 40-41
	Work Rules and Regulations	Pg. 41

## ARTICLE I

### RECOGNITION, UNION SHOP AND DUES

Section 1. The Employer recognizes and acknowledges that the Union is the exclusive representative in collective employees covered by this Agreement and listed in the attached Schedule "A".

The terms of this Agreement shall apply to all employees in the classifications of work set forth herein in the Employer's Warehouse and to all employees in the classifications of work set forth herein that may be employed in warehouse accretions and reallocations with Wayne County and all counties contiguous to Wayne County.

Section 2. All present employees who are members of the Union on the effective date of this Agreement or on the date of execution of this union shop agreement, whichever is the later, shall remain members of the Union in good standing as a condition of employment. All present employees who are not members of the Union and all employees who are hired hereafter shall become and remain members in good standing of the Union as a condition of employment on and after the 31st day following the beginning of their employment or on and after the 31st day following the effective date of this Agreement or the date of the execution of this union shop agreement, whichever is the later.

Section 3. When the Employer needs additional help, it shall give the Union equal opportunity with all other sources to provide suitable applicants, but the Employer shall not be required to hire those referred by the Union.

Section 4. The Employer agrees to deduct from the pay of each full-time and casual employee all dues and/or initiation fees of the Union and pay such amount deducted to the Union for each and every employee, working in the classifications hereinafter set forth, provided however, that the Union presents to the Employer authorizations, signed by such employee, allowing such deductions and payments to the Union.

The Employer will recognize authorization for deductions from wages, if in compliance with state law, to be transmitted to the Local Union or to such other organizations as the Union may request if mutually agreed to. No such authorization shall be recognized if in violation of state or federal law. No deduction shall be made which is prohibited by applicable law.

The Union agrees to indemnify and hold harmless the employer against any and all suits, claims, demands and liabilities that may arise out of or because of any action taken by the Employer for the purpose of complying with any of the provisions of this section.

Section 5. The Employer agrees to respect the jurisdictional rules of the Union and will not allow persons other than employees in the bargaining unit classifications as hereinafter set forth, to perform the jurisdictional work of the bargaining unit employees, provided, that the Union furnishes the Employer with a copy of its jurisdictional rules, and provided, further, that in the event of a conflict between the jurisdictional rules of the Union and any provisions of this Agreement, the terms of this Agreement shall control and govern.

Section 6. Shuttle employees who shuttle Canton facility product, regardless of where the equipment originates, to other company route drivers for further distribution to customers will be Local 337 work to be performed by Local 337 employees.

Section 7. Regarding the Sysco Saginaw drivers, it is mutually agreed and understood that shuttle work will accrue to Local 337 on an attrition basis until such time as all shuttle work is performed by Local 337 members. Further, any expansion of the Sysco Saginaw work force beyond the 21 Local 486 employees shall become Local 337 members.

Nothing in this Agreement shall prohibit customers of the Employer or other persons authorized by the Employer from making pickups and/or deliveries from the Employer's warehouse as they have done in the past, such pickups and/or deliveries would normally be within the work jurisdiction of the bargaining unit in the event of errors, emergencies, or other unforeseen circumstances.

Nothing in this Agreement shall prohibit the Employer from taking whatever action deemed necessary to service the Employer's customers and/or conduct the Employer's business when such action results from an absence by a bargaining unit employee.

## ARTICLE II

### MANAGEMENT RIGHTS

Section 1 The Employer retains, solely and exclusively, all the rights, powers, and authority which it exercised or possessed prior to the execution of this agreement, except as specifically abridged by an express provision of this agreement. Without limiting the generality of the foregoing, the rights, powers, and authority retains solely and exclusively by the employer and not abridged by this agreement include, but are not limited to the following: To manage, direct and maintain the efficiency of its business and personnel; to manage and control its departments, building, facilities and operations; to discontinue work; to direct the work force; to increase or decrease the work force and determine the number of employees needed; to hire, transfer, promote, demote, and maintain efficiency of its employees' to lay off employees; to establish reasonable work standards, schedules of operation and workloads; to specify or assign work assignments and require overtime; to assign work; to schedule and change working hours, shifts and days off; to adopt reasonable rules of conduct and reasonable safety rules; to determine the type and scope of work to be performed and services provided; to determine the location and relocation of facilities; the right to establish reasonable qualitative or quantitative standards of production; and to effect technological changes.

The Employer shall have the right to discharge or to otherwise discipline any employee for just cause, subject to the grievance and arbitration procedure.

Section 2. This Agreement contains all of the covenants, stipulations and provisions agreed upon by the parties hereto, and no representative of either party has authority to make, and none of the parties shall be bound by any statement, representation, or agreement reached prior to the signing of this Agreement and not set forth herein.

## ARTICLE III

### SUBCONTRACTING

Section 1. For the purpose of preserving bargaining unit work for the employees covered by this Agreement, the Employer agrees, except as provided for in Sections 2 and 3 below, that no work or services of the kind, nature or type covered by, presently performed, or hereafter assigned to the collective bargaining unit will be subcontracted by the Employer in whole or in part to any other person.

Section 2. The Employer has the exclusive right to change the number and location of plants and/or other facilities, the geographic areas in which the Employer will conduct business. The following are the exclusive functions of the Employer:

- A. The creation of new departments; and
- B. The elimination of existing departments in a plant and/or other facility.



C. The right to determine where, when and by whom repairs and service to vehicles, equipment and other facilities of the Employer will be performed

D. The right to subcontract for cleaning and janitorial services for any or all of Employer's facilities.

The Employer shall not cause an employee regularly performing the services referred to in paragraphs C and/or D to be laid off as a result of subcontracting for repairs and/or services. It is not the Employer's intention to use subcontracting for the purpose of intentionally eliminating overtime.

Section 3. It is the sole right of the Employer to diminish or expand operations and/or areas served in whole or in as circumstances warrant.

Section 4. In the event the Employer closes its present facilities and relocates its warehouse operations, employees working at the time of closing shall have first opportunity for employment at the new location.

#### ARTICLE IV

##### WAGES

Section 1. Attached hereto and marked Schedule "A" is a schedule showing the minimum hourly wage rates of the employees covered by this Agreement. Said Schedule "A" and the contents thereof shall constitute a part of this Agreement.

Section 2. The Employer shall have the exclusive right to establish and/or discontinue alternate methods of computing compensation as deemed necessary, provided that any alternate method shall not result in an effective hourly wage (including applicable overtime) less than the minimum required in Schedule "A".

The Employer shall provide the Union with a copy of any alternate method of compensation prior to implementation.

Each employee shall have the exclusive right to decide between the minimum wage provided in schedule "A" and any alternate method offered by the Employer.

An employee having elected to be compensated under an alternate method may at any time choose to return to the minimum required in Schedule "A".

The Employer may impose limits on the number of times an employee may elect to participate in an alternate method of compensation during any twelve month period.

Section 3. All employees covered by this Agreement shall be paid for all time spent in the service of the Employer. Time shall be computed from the time an employee reports for work and registers in but not earlier than the employees scheduled start time, until the time he is effectively released from duty. All time lost due to delays as a result of overloads or certified violations involving federal, state, or city regulations, which occur through no fault of the employee, shall be paid at the employee's hourly rate.

Employees who are sent out of town necessitating staying overnight shall be entitled to a per diem covering lodging, dinner and breakfast.

Section 4. Nothing in this Agreement shall require the Employer to pay more than the minimum hourly wage required in Schedule "A" for hours not worked.

Section 5. All employees covered by this Agreement shall be paid within one week of the end of the previous work week. The Employer will have vacation checks prepared and distributed one week prior to vacation. Also, the Employer agrees to provide paychecks on Thursday afternoon by 4:00 p.m. for employees who will be starting vacation on Friday or for employees on scheduled personal days off on Friday. If an employee receives a vacation check then vacation must be taken.

The Union and Employer may by mutual agreement amend the pay periods.

Each employee shall be provided with an itemized statement of his earnings and all deductions made for any purpose, upon request of individual employees or Union representatives.

## ARTICLE V

### TRANSFER OF COMPANY TITLE OR INTEREST

Section 1. This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. In the event an entire operation or any part thereof is sold, leased, transferred or taken over by sale, transfer, lease assignment, receivership or bankruptcy proceeding, such operation shall continue to be subject to the terms and conditions of this Agreement for the life thereof. It is understood by this Article that the parties hereto shall not use any leasing device to a third party to evade this contract. The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, etc., of the operation covered by this Agreement or any part thereof. Such notice shall be in writing with a copy to the Union not later than the effective date of sale.

Section 2. In the event the Employer fails to require the purchaser, transferee, or lessee to assume the obligations of this Agreement, the Employer (including partners thereof) shall be liable to the Union, and to the employees covered for all damages sustained as a result of such failure to require assumption of the terms of this Agreement, but shall not be liable after the purchaser, the transferee or lessee has agreed to assume the obligations of this Agreement.

## ARTICLE VI

### SENIORITY

Section 1. Strict seniority shall prevail in the layoff and recall of employees. In reducing the work force because of lack of work or other legitimate cause, the last employee hired shall be the first employee laid off and the last employed laid off shall be the first employee rehired. In the laying off and the rehiring of laid off personnel, the particular work performed by said employee shall be an important factor. There shall be mutual agreement between the Union and the Employer as to whether "work performed" shall take precedence over seniority in the layoff and recall of employees.

Section 2. The Employer shall post a list of the employees arranged in order of their seniority. This list shall be posted in a conspicuous position at the place of employment.

Section 3. Seniority (employment) shall be broken only by:

1. Discharge for Just Cause.
2. Voluntary quit.
3. Inability to work due to illness or non-work related injury over two (2) years.
4. Inability to work due to work related injury over two (2) years.
5. Layoff (not including voluntary layoff) over one (1) year.

Section 4. In the event of a layoff, an employee so laid off shall be given one week notice of recall to work, mailed to his last known address. In the event the employee fails to make himself available for work at the end of said one week, he shall be considered a voluntary resignation.

Section 5. One Steward shall be granted super seniority for all purposes including layoff, rehire and job preference if such is required by the Union. The Union shall provide the company, in writing, with the name of the Steward so designated.

Section 6. Any employee employed in a classification covered by this Agreement, who is or has been promoted or transferred to a non-bargaining unit position shall not accumulate seniority while he works in the non-bargaining unit position. If the employee is returned to a bargaining unit classification within sixty (60) working days from the date promoted or transferred, he shall commence work in a job generally similar to the one he held at the time of his promotion or transfer and he shall maintain the seniority rank he had at the time of his promotion or transfer out of the bargaining unit. No employee shall be returned to the bargaining unit after sixty (60) working days from the date promoted or transferred.

Section 7. Domicile drivers (Toledo, Grand Rapids, Jackson, Port Huron, Findlay) whose location is subject to change will have preferred seniority for the domicile location. No drivers from any other location will have the right to bump into the domicile territory. The domicile drivers may be moved to another location if the domicile site changes or due to staff reduction.

In the event the domicile site is moved the current domicile drivers will have preferred seniority to move to the new domicile site or return to the main Canton distribution center.

Section 8. The company will maintain the sole right to establish permanent bid runs and pool runs which will be bid once a year by seniority. The drivers will bid established routes by area and will retain no exclusive rights of customer or stop. The company retains the right to make changes on early departures (out of town) runs regardless of bids to adequately service the company's customers. Drivers calling in absent must call in two hours prior to the start of the shift to allow us to properly control bids and pool runs.

Section 9. The parties agree that a casual employee that has attained full-time status and has completed the twelve (12) month calendar day probationary period, shall be placed on the full-time seniority list.

## ARTICLE VIII

### ARBITRATION AND GRIEVANCE PROCEDURE

Section 1. It is agreed that all grievances arising under and during the term of this Agreement shall be settled in accordance with the procedure provided below and that there shall not be at any time any strike, sympathy strike, tie-ups of equipment, slow downs, walk-outs, or any other cessation of work or the use of any method of lockout or legal proceedings. A grievance is defined as an alleged violation of the specific provision or article of this agreement.

In addition, the Company will issue discipline by no later than the tenth (10<sup>th</sup>) calendar day following its knowledge of the act for which discipline is to be issued. Any accident, incident, or injury investigation, delay in receipt and/or processing of drug screen results, or other prolonged investigation, as determined by the Company, will extend this period indefinitely until such time that information is obtained to initiate the discipline. The Company will notify the Union in advance of any extension.

Section 2. Should any grievance arise as defined above, there shall be an earnest effort on the part of the parties to settle such promptly through the following steps:

#### Step 1.

An employee grievance shall first be taken up by a conference between the aggrieved employee, the shop steward, or both, and the foreman of the employee.

Step 2.

If the grievance cannot be resolved in Step 1 and before proceeding to Step 3 below, it shall be the responsibility of the aggrieved employee to reduce any grievance to writing on the regular grievance form provided by the Union.

Written grievances must be taken up promptly and no grievance will be considered or discussed which is presented later than ten (10) calendar days after the aggrieved has knowledge or has reason to have knowledge of the occurrence grieved

Step 3

All written grievances shall be the subject of a conference between an official or officials of the Union and the Employer. The Employer shall answer written grievances in writing within ten (10) days after the date of the conference. If the employer fails to meet time limit set forth the employee will be awarded the grievance, except as provided for in paragraph (A) below, from the date presented to the designated representative of the Company.

(A) The time allowed for a response may be extended for periods of thirty (30) days, when mutually agreed to by both the Company and the Union

Step 4.

In the event the last step fails to settle the complaint, it shall be referred to arbitration upon request of either the Union or the Employer. The Union shall notify the Company within thirty (30) days, except as provided for in Step 3, paragraph (A) above, from the Company's response to any written grievance if the grievance will be submitted to arbitration. Failure to notify the Company within thirty (30) days, except as provided for in Step 3, paragraph (A) above, shall be considered acceptance of the Company's position. The President and/or Executive Board of the Local Union shall have the right to determine whether or not the grievance is qualified to be submitted for arbitration by the Union.

Section 3: A strike authorized by the union to enforce the decision of an arbitrator shall not be a violation of any provision of this agreement.

The Union agrees to give the Company 48 hours advanced notice of any such action as it relates to this article only.

The Union agrees that for the terms of this agreement, it will not authorize, sanction, or approve any strike, work stoppage or slow-down, unless the Employer refuses to arbitrate.

Section 4: The union and the employer agree the arbitrator may be selected by mutual agreement or from a panel of eleven (11) arbitrators submitted by the Federal Mediation and Conciliation Service (FMCS). Such arbitrators must be members of the American Arbitration Association and the National Academy of Arbitrators.

Section 5: The cost of the arbitrator shall be borne equally by each party. Each party shall be responsible for their own representation and witnesses and any associated fees.

Section 6: The arbitrator shall have no authority to add to, subtract from, modify, change, alter, or ignore in any way the provisions of this agreement, or any expressly written amendment or supplement thereto, or to extend its duration unless the parties have expressly agreed, in writing, to give him specific authority to do so, or to make an award which has this effect. The award of the arbitrator so made shall be final and binding on the parties.

Section 7: An arbitrator shall not review more than one issue on the same hearing date or series of hearing dates, except by written agreement between the parties.

Section 8: Employees shall receive pay at their regular hourly rate for time spent in a grievance hearing at the Company's facilities during their regularly scheduled shift.

Section 9: The Employer shall not have the right to discharge or suspend any employee without just cause, but in respect to discharge or suspension shall give at least one warning notice to the employee in writing, and a copy of the same to the Union and job steward affected, except that no warning notice need be given to an employee provided the suspension or discharge is in accordance with other provisions of this Agreement

## ARTICLE IX

### STEWARDS

The Employer recognizes the right of the Union to designate job stewards and alternates from the Employer's seniority list.

Stewards shall be permitted reasonable time to investigate, present and process grievances on the Employer's property without loss of time or pay during the steward's regular working hours. Such time spent in handling grievances during the steward's regular working hours shall be considered working hours in computing daily and/or weekly overtime if within the regular schedule of the steward.

The privilege of stewards to leave their work area during working hours without loss of pay is extended with the understanding that they will first notify their supervisor and the time will be devoted to the prompt handling of grievances and will not be abused. This shall be confined to the Employer's warehouse location. All stewards working in the warehouse shall wear a decal which shall be obtained from the Union, so that all employees will be able to identify the steward. Refusal on the part of a steward to cooperate in being identified as a steward will be reason for the Union to remove such steward from office and the Union's Executive Board will appoint a replacement until the next steward elections are held at contract renewal time.

Any employee required by management to report to the Employer's office for a reprimand conference pertaining to his work performance shall be allowed to have a Shop Steward present.

## ARTICLE X

### LEAVE OF ABSENCE

Section 1. Any employee desiring and/or requiring a leave of absence shall secure written permission from both the Union and the Employer. The minimum leave of absence shall be for seven (7) days and the maximum leave of absence shall be for ninety (90) days and may be extended for like periods. Permission for extension must be secured from both the Union and the Employer.

During the period of absence the employee shall not engage in gainful employment in the same industry in classifications covered by the Contract. Failure to comply with this provision shall result in immediate discharge of the employee involved.

The employee must make suitable arrangements for continuation of Health and Welfare and pension payments before the leave may be approved by either the Union or Employer.

Section 2. The Employer agrees to grant necessary and reasonable time off, without discrimination or loss of seniority rights and without pay, to any employee designated by the Union to attend a labor convention, or serve in any capacity on other official Union business, provided 48 hours written notice is given to the Employer by the Union, specifying length of time off for Union activities, due consideration shall be given to the number of men affected in order that there shall be no disruption of the Employer's operations due to lack of available employees.

Section 3. Absence for three (3) consecutive days without proper notification shall be considered a voluntary resignation.

Section 4. An employee who fails to report for work as scheduled without properly notifying the Employer shall not be entitled to commence work until the Employer has been properly notified when the employee will return to work.

Employees must notify an Employer daily when unable to report as scheduled, unless an absence has been properly communicated to the Employer. All employees must notify the Employer the day prior to returning to work.

Section 5. Employees who are off work on a personal, non work related disability, will not be required to utilize personal, sick or vacation leave banks while off.

## ARTICLE XI

### LIMITATION OF AUTHORITY AND LIABILITY

Section 1. No employee shall be empowered to call or cause any strike, slow-down, walkout, work stoppage or cessation of employment of any kind whatsoever. Any employee engaged in such actions or activities shall be immediately discharged. The Union shall not be liable for any such activities unless expressly so authorized by or through an agent of the Union.

Section 2. Any individual employee or group of employees who willfully violate or disregard the arbitration and grievance procedure set forth in Article VIII, of this Agreement, may be summarily discharged by the Employer without liability on the part of the Employer or the Union.

Section 3. The authority of the Union stewards shall be limited to acts or functions which said stewards are expressly authorized to perform by the Executive Board of the Local Union.

## ARTICLE XII

### PICKET LINE

Section 1. It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action in the event an employee refuses to enter upon any property involved in a primary labor dispute, or refuses to go through or work behind any primary picket line, including the primary picket line of the Union party to this Agreement, and including primary picket lines at the Employer's place of business.

Section 2. A duly authorized strike to enforce the terms of this Article shall not be a violation of any provision of this Agreement.

## ARTICLE XIII

### STRUCK GOODS

Section 1. It shall not be a violation of this Agreement and it shall not be a cause for discharge or disciplinary action if any employee refuses to perform any service which the Employer undertakes to perform as an ally of an Employer or person whose employees are on strike and which service, but for such strike, would be performed by the employees of the Employer or person on strike.

Section 2. A duly authorized strike to enforce the terms of this Article shall not be a violation of any provision of this Agreement.



## ARTICLE XIV

### MAINTENANCE OF STANDARDS

The Employer agrees that all conditions of employment covered by this Agreement relating to wages, hours of work, overtime differentials and general working conditions shall be maintained at not less than the highest minimum standards required by this Agreement, unless specifically modified by this Agreement, and that conditions of employment shall be improved wherever specific provisions for improvement are required by terms of this Agreement.

It is agreed that the provisions of this Section shall not apply to inadvertent or bona-fide errors made by the Employer or the Union in applying the terms and conditions of this Agreement if such error is corrected within ninety (90) days from the date the error is discovered.

## ARTICLE XV

### GENERAL

Section 1. The Employer agrees that it will allow the proper accredited representatives of the Union access to the plant or warehouse anytime bargaining unit members are working for the purpose of policing the terms and conditions of this Agreement.

Section 2. The Union shall have the right to examine time sheets and any other records pertaining to the computation of compensation of any employee whose pay is in dispute or any other records of the Employer pertaining to a specific grievance.

Section 3. Employees shall not perform services, directly or indirectly, for any person, firm or corporation in competition with any phase of the Employer's business, nor shall employees exploit their connection with the Employer through any outside business activities. Employees involved in such activities shall be discharged

## ARTICLE XVI

### HEALTH AND WELFARE AND PENSION

Section 1. The Company will provide Blue Care Network of Michigan, Deltacare HMO or Delta PPO, and Vision Service Plan to regular full time employees. Benefit levels will remain the same. Co pays will remain the same as proposed, however, after year-one of the Agreement, co pays for prescription drug benefits will mirror future increased co pay contribution changes to the Michigan Conference of Teamsters prescription drug plan throughout the life of this contract.

The employee monthly shared contribution for the duration of the contract is as follows:

<u>Contract Year</u>	<u>Family/Couple Shared Contribution</u>	<u>Single Shared Contribution</u>
1 (2011)	\$115.00	\$70.00
2 (2012)	\$115.00	\$70.00
3 (2013)	\$115.00	\$70.00
4 (2014)	\$115.00	\$70.00
5 (2015)	\$115.00	\$70.00

It is mutually agreed that retirees and their surviving spouse will receive medical benefits (BCN for in-state retirees; similar plan, where available, for out-of-state retirees) until the age of 65 or until they are eligible for Medicare. Coverage for retirees and their surviving spouse will be at the following rate for the duration of the contract:

Retiree Medical Program Rates						
Monthly Self-Contribution Rate Covering Both Retiree and Spouse						
Age at Retirement	Years in Fund 5 - 9	Years in Fund 10 - 14	Years in Fund 15 - 19	Years in Fund 20 - 24	Years in Fund 25 - 29	Years in Fund 30 +
50 – 54	\$440.00	\$400.00	\$360.00	\$320.00	\$280.00	\$200.00
55 – 59	\$340.00	\$315.00	\$290.00	\$270.00	\$245.00	\$180.00
60 – 64	\$240.00	\$230.00	\$225.00	\$215.00	\$210.00	\$160.00
For participants who retired on or before February 6, 2005 - \$50.00						

Eligibility: Retirement eligibility under this section is the same as retirement eligibility requirements under the Sysco Corporation Retirement Plan.

In regards to other benefits currently being offered (not referenced above), including, but not limited to, life insurance, AD&D, short term disability, and long term disability, the Company will maintain the benefits level currently being offered to regular full time employees for the life of this Contract.

Section 2. Under this Agreement, which is effective February 6, 2011, Sysco Detroit shall no longer participate in or contribute to the Central States, Southeast and Southwest Area Pension Fund. Full time employees covered by this Agreement will be eligible to participate in the Sysco Corporation Retirement Plan and the Sysco Corporation Employees' 401(k) Plan. Participation shall be in accordance with the specific terms and conditions of each Plan.

Section 3. Contributions to Blue Care Network HMO must be made each month for each regular employee even though each employee may only work part-time under the provisions of this Agreement, including paid vacations.

Section 4. If an employee is injured on the job, the Employer shall continue to pay the required contributions to the Blue Care Network HMO until such contributions shall not be paid for a period of more than fifty-two (52) weeks.

Section 5. If an employee is granted a leave of absence, the Employer shall collect from said employee, prior to the leave of absence being effective, sufficient monies to pay the required contributions into the Blue Care Network HMO during the period of absence.

Section 6. It is agreed that the Sysco Corporation Retirement Plan will be administered by the Employer in compliance with all applicable laws and regulations, both State and Federal.

Section 7. Employees receiving Company provided Healthcare insurance that are covered by their spouses' Healthcare insurance plan may elect a waiver of employer Healthcare benefits at their option. Once proper documentation is received verifying that alternative Healthcare insurance is in effect, the employee will receive an additional \$20.00 per week included in their paycheck. This will be on an annual election basis only at the beginning of each Healthcare enrollment year.

If an employee should lose the Healthcare provided by their spouse, they will be eligible for reentering the Company provided Healthcare plan other than in the annual enrollment period. Proper documentation of this loss of Healthcare coverage is required.

A potential "Early Retiree" employee who wishes to enroll in the Early Retiree Company Health Insurance program must be covered by the Company Healthcare insurance during the benefit year prior to electing "Early Retiree" status. Otherwise, the "Early Retiree" will not be eligible for these Healthcare benefits.

Section 8. This section of the agreement effected December 26, 1996 controls over any contrary provision of the parties' collective bargaining agreement, supplemental agreement, "Schedule A", or any other contrary agreement or understanding.

## ARTICLE XVII

### EXTRA CONTRACT AGREEMENTS

The Employer agrees not to enter into any agreement with another labor organization during the life of this Agreement with respect to the employees covered by this Agreement; or any agreement or contract with the said employees, individually or collectively, which in any way conflicts with the terms or provisions of this Agreement, or which in any way affects wages, hours or working conditions of said employees, or any individual employee, or which in any way may be considered a proper subject for collective bargaining. Any such agreement shall be null and void.

## ARTICLE XVIII

### MILITARY SERVICE

Any employee on the seniority list inducted into military, naval, marine or air service under the provisions of The Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994, updated in 1996 and again in 1998, shall upon termination of such service, be re-employed in line with his seniority, at the then current rate for such work, provided he has not been dishonorably discharged from such service with the United States Government, is physically able to do the available work (or able to do the work with reasonable accommodations), and, further, provided he reports for work within ninety (90) days of the date he is discharged from such service with the United States Government.

The Employer shall provide continuation of health benefits for the first 18 months of military leave per the following:

- a. For absences of 30 days or less, benefits continue as if the employee has not been absent.
- b. For absences of 31 days or more, coverage stops unless the employee elects to pay for COBRA coverage (for a period of up to 18 months).
- c. Health insurance must be reinstated the day an employee is reinstated with no waiting period or pre-existing condition limitations. If the employer cannot put the employee back to work immediately upon application, the health insurance must be restored immediately.

Regarding pension, employees continue to accrue service for vesting and benefit accrual while out on approved military leave under USERRA.

The employer is not obligated to pay an employee on a military leave of absence. In addition, there is a 5-year cumulative service limit on the amount of voluntary military leave an employee can use and still retain reemployment rights. However, the 5-year total does not include: involuntary recall to or retention on active duty, voluntary or involuntary active duty in support of war, national emergency, or certain operational missions. Furthermore, reemployment rights would be terminated due to dishonorable or bad conduct discharge.

An employee who fails to report to work or to reapply for employment within the appropriate time frame, under this Article, will be subject to the rules regarding unexcused absences.

## ARTICLE XIX

### BONDS

Should the Employer require any employees to give bond, cash bond shall not be compulsory, and any premium involved shall be paid by the Employer.

The primary obligations to procure the bond shall be on the Employer. If the Employer cannot arrange for a bond within ninety (90) days, he must so notify the employee in writing. Failure to so notify shall relieve the employee of the bonding requirement. If proper notice is given, the employee shall be allowed thirty (30) days from the date of such notice to make his own bonding arrangements, standard premiums only on said bond to be paid by the Employer. A standard premium shall be that premium paid by the Employer for bonds applicable to all other of its employees in similar classifications.

If there is any excess premium to be paid, it shall be paid by the employee. Cancellations of a bond after once issued shall not be cause for discharge, unless the bond is canceled for cause which occurs during working hours, or is due to the employee having given a fraudulent statement in obtaining said bond.

## ARTICLE XX

### LOSS OR DAMAGE

Employees shall not be charged for loss or damage unless clear proof of gross negligence is shown. This Article is not to be construed as permitting charges for loss or damage to equipment under any circumstances.

## ARTICLE XXI

### UNIFORMS

Section 1. It is mutually agreed and understood between the two parties that the Employer shall have the right to establish, amend, change, delete or add to a work uniform policy at its discretion, provided the Employer:

1. Provides written notice to the Union.
2. Post a notice of the change for ten (10) days.

An employee may challenge any such change through the grievance procedure up to ten (10) days from the date posted. Any change so challenged will not take effect during the grievance process.

Section 2. Uniforms required by the Employer shall be furnished by the Employer at the Employer's expense. First consideration shall be given to uniforms produced by a Union Manufacturer.

The Employer shall replace uniforms not meeting the standard required by the Employer, provided, cause is due to normal wear.

Section 3. The employee shall be responsible to maintain the uniform in accordance with the standard set by the Employer; except for normal wear.

Section 4. The employee shall be responsible to replace uniforms lost, stolen or damaged at the employee's expense.

Section 5. Uniforms furnished by the Employer shall be worn for company business only.

## ARTICLE XXII

### EQUIPMENT, ACCIDENTS AND REPORTS

Section 1. The Employer shall not require employees to take out on the streets or highways any vehicle that is not in prescribed by law. It shall not be a violation of this Agreement where employees refuse to operate such equipment unless such refusal is unjustified.

Section 2. Under no circumstances will an employee be required or assigned to engage in any activity involving dangerous conditions of work or danger to person or property or in violation of an applicable statute or court order, or governmental regulation relating to safety of person or equipment.

Section 3. Any employee involved in any accident shall immediately report said accident and any physical injury sustained. When required by his Employer, the employee, before completing his/her shift shall make out an accident report in writing on forms furnished by the Employer and shall turn in all available names and addresses of witnesses to any accidents. Failure to comply with this provision shall subject such employee to disciplinary action by the Employer.

Section 4. Employees shall immediately, or at the end of their shift, report all defects of equipment. Such reports shall be made on a suitable form furnished by the Employer and shall be made in multiple copies, one copy to be retained by the employee. The Employer shall not require any employee to operate equipment that has been reported as being in an unsafe operating condition until same has been approved for use by a supervisor or other authorized person.

When the occasion arises where an employee gives a written report on forms in use by the Employer of a vehicle being in unsafe working operating condition, and receives no consideration from the Employer, he shall take the matter up with the officers of the Union who will take the matter up with the Employer.

Section 5. The Employer shall install heaters, defrosters and windshield washers on all trucks and tractors and keep same in operating condition.

Section 6. The Employer agrees to establish an Accident Review Board. This Board will be composed of 3 management and 2 Union employees. The purpose of this Board will be to review Accident Investigation Reports prior to the administration of discipline.

### ARTICLE XXIII NEW EQUIPMENT

Section 1. Where new types of equipment for which rates of pay are not established by this agreement are put into use, within operations covered by this Contract, rates governing such operations shall be subject to negotiations between the Employer and the Union. Rates agreed upon shall be effective as of date the equipment is placed in service.

Section 2. In the event the Employer and the Union are unable to agree on a rate, it is agreed that the subject of rate may be submitted to arbitration in accordance with the grievance procedure.

### ARTICLE XXIV WORKERS COMPENSATION

The Employer agrees to cooperate toward the prompt settlement of employee on-the-job injury claims when such claims are due and owing. The Employer shall provide workers compensation protection for all employees.

An employee who is injured on the job, is unable to complete his/her scheduled shift and requires medical attention, shall receive pay at the applicable hourly rate for the balance of his/her regular shift on the day the injury occurred, provided, such medical attention is provided as authorized by the Employer.

An employee who has returned to his regular duties after sustaining a compensable injury who is required by the Employer's authorized attending physician to receive additional medical treatment during his/her regularly scheduled working hours shall receive his/her regular hourly rate of pay for such time.

ARTICLE XXV  
JURY DUTY

Seniority employees shall be compensated by being paid the difference between their earnings as a juror and eight hours pay. Such compensation shall be payable only if the employee gives the company prior notice of the jury duty summons and presents proper evidence of performance of jury duty and the amount paid by the court. Time paid under this benefit will not be calculated as hours worked for the purpose of paying overtime premiums. The maximum benefit paid per year is 10 days.

ARTICLE XXVI

SEPARABILITY AND SAVINGS CLAUSE

If any Article or Section of this contract or any riders thereto should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained pending a final determination as to its validity, the remainder of this Contract and of any Rider thereto, or the application of such Article or Section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

In the event that any Article or Section is held invalid or enforcement of our compliance with which has been restrained as above set forth the parties affected thereby shall enter into immediate collective bargaining negotiations, upon the request of the Union for the Purpose of arriving at a mutually satisfactory replacement for such Article or Section during the period of invalidity or restraint. If the parties do not agree on a mutually satisfactory replacement, either party shall be permitted all legal or economic recourse in support of its demands notwithstanding any provision in this Contract to the contrary.



## ARTICLE XXVII

### TERMINATION OF AGREEMENT

Section 1. This Agreement shall be in full force and effect from February 6, 2011, to and including February 6, 2016, and shall continue in full force and effect from year to year thereafter unless written notice of desire to cancel or terminate the Agreement is served by either party upon the other at least sixty (60) days prior to date of expiration.

Section 2. It is further provided that where no such cancellation or termination notice is served and that parties desire to continue said Agreement but also desire to negotiate changes or revisions in this Agreement, either party may serve upon the other a notice, at least sixty (60) days prior to February 6, 2012, or February 6th of any subsequent contract year, advising that such party desires to continue this Agreement but also desires to revise or change terms of conditions of such Agreement. The respective parties shall be permitted all lawful economic recourse to support their request for revision if the parties fail to agree thereon.

Section 3. It is understood and agreed between the parties that the provisions contained in Schedule "A" hereto attached, may be reopened for negotiations between the parties February 6, 2011, provided that the party desiring to reopen serves notice in writing upon the other party at least sixty (60) days prior to February 6, 2016. If no such notice is given the said Schedule "A" shall continue on from year to year. In the event the parties cannot agree upon the requested revisions in Schedule "A", the Union shall have the right to strike in support of its demands, notwithstanding any provision of this Contract to the contrary.

Section 4. It is further agreed by the parties hereto that upon receiving proper cancellation notice or amendment notice to this Agreement the parties agree to start negotiations at least forty-five (45) days before the expiration or amendment date of this Agreement.

Section 5. In the event of an inadvertent failure by the Union to give the notice set forth in Section 1,2, and 3 of this Article, such party may give such notice at any time prior to the termination or automatic renewal date of this Agreement. If a notice is given in accordance with the provisions of this Section, the expiration date of this Agreement shall be the sixty-first (61st) day following such notice.

Section 6. In the event of war, declaration of emergency or imposition of civilian controls, during the life of this Contract, either party may reopen the same upon sixty (60) days written notice and request re-negotiations of matters dealing with wages and hours. upon failure of the parties to agree in such negotiations, either party shall be permitted all lawful economic recourse to support their request for revisions. If governmental approval of revisions should become necessary, all parties will cooperate to the utmost to attain such approval. The parties agree that the notice provided herein shall be accepted by all parties as compliance with the notice requirements of applicable law, so as to permit economic action at the expiration thereof.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

COMPANY

Sysco Detroit L.L.C.

UNION

LOCAL UNION NO. 337 AFFILIATED  
WITH THE INTERNATIONAL  
BROTHERHOOD OF TEAMSTERS,  
CHAUFFEURS, WAREHOUSEMEN AND  
HELPERS OF AMERICA

\_\_\_\_\_  
President

\_\_\_\_\_  
Recording Secretary for the Committee:

## SUPPLEMENTARY AGREEMENT

### Schedule "A"

#### ARTICLE I

#### WAGES AND HOURS

##### 1. WORK WEEK

(A) The regular work week shall consist of scheduled workdays (not necessarily consecutive) of at least 40 hours per payroll period which begins on or after Sunday and ends not later than Saturday.

(B) Daily and weekly work schedules shall be made at the sole discretion of the Employer and such schedules may be changed by the Employer to accommodate varying business conditions.

Changes deemed necessary by the Employer will be made known to the affected employees at least two (2) days in advance, where possible.

##### 2. SENIORITY LIST

(A) All employees covered by this Agreement shall be placed on a seniority list in order of first day worked except those employees during their 90 day probationary period who are injured shall have their seniority date shifted from their date of hire to the date they return from workers compensation, medical leave or from an alternative duty job and must still complete their probationary period.

(B) The parties agree that said casual employees shall be paid at the rate listed in Supplementary Agreement Schedule "A", Article I, Section 7.

Said casual employees shall not be entitled to any fringe benefits. It is agreed and understood that these employees shall absolutely not be entitled to any benefits enjoyed by the full-time regular seniority employees under the Contract Agreement.

(C) The Employer agrees to create a preferential hiring list for casuals whereby they are elevated to regular seniority status by seniority. After 12 months, a casual will either be added to the regular seniority roster or will be deleted from the casual list. Casuals will be utilized only to replace bargaining unit employees on a one-for-one basis for any absenteeism, no matter what the case, i.e., vacations, illness, discipline, etc. The company shall have the right to use 10% casuals in addition to the work force after casuals are used for one-for-one replacements excluding the use of additional casual employees for the first 30 days of training.

Training involves a trainer and a trainee. However, it is understood that the union will work with the company if it needs to use more casuals than necessary for absences in unusual and peak period circumstances only. The steward will be consulted prior to usage of casuals in this manner.

The parties agree that if the Employer violates Article I, Wages and Hours, Sub Paragraph 2 (B), five (5) times in any given month, the Union shall have the right to file a grievance requesting the most senior employee capable of performing the work in said classification will receive the wage for the hours worked by said employee who has actually violated the Schedule "A", Article I, "B" of the Supplementary Agreement.

(D) The parties agree that the Employer shall have the absolute right to discharge any employee who is classified as a "casual employee" at its sole discretion.

(E) The Employer agrees to provide the union steward with a list of the casual employees working on any given day.

(F) Casual employees will be allowed to bid for regular seniority positions within the bargaining unit as job openings develop provided, however, that no full-time regular seniority employee bids on these positions.

### 3. REGULAR SENIORITY LIST EMPLOYEES

(A) All regular seniority employees covered by this Agreement shall be guaranteed forty (40) hours of work each work-week, unless absent for any cause not originating with the Employer.

The hours of work so guaranteed shall be composed of 3, 4 or 5 day work weeks of at least 8 hours per day. The regular work week, i.e., five consecutive days, will remain at 5-8 hour days.

A split work week in the Warehouse will be based on a voluntary basis according to shift, ability and seniority.

Any employee on a 4 day work week bid will have at least 2 consecutive days off and guaranteed at least one day off on the weekend.

If an employee is called in to work on their scheduled day off, that day will be a premium day as long as the employee completes their scheduled work week.

An alternative work week would be any week other than a regular work week.

Any variation from this schedule will be limited to 25% of those Drivers on the full time seniority list excluding domicile drivers. The drivers on this list shall move up (or down) by attrition and new hires. The limit of 25% can only be exceeded for those who wish to voluntarily bid for the alternative work week.

(B) Each day not actually worked, for which payment is required, or would be required if the employee were otherwise eligible, under the vacation leave, holiday, personal leave or funeral leave provisions of this Agreement, shall be credited against the guaranteed forty (40) hours in an amount equal to the hours scheduled to be worked.

(C) Hours not actually worked for which payment is required under the call-in provisions of this Agreement shall be credited against the guaranteed forty (40) hours.

#### 4. CASUAL EMPLOYEES ON THE SUPPLEMENTAL LIST

(A) The parties agree that casual employees that have become full-time regular seniority employees shall be placed on the full-time regular seniority list.

(B) These casual employees that have become full-time regular seniority employees will be eligible to participate in the Sysco Corporation Retirement Plan and the Sysco Corporation Employees' 401(k) Plan.

(C) Employees on the casual employees list shall not be entitled to the guaranteed hours provided for in Section 3.

(D) Employees on the casual employees list shall not be entitled to benefits limited to full-time regular seniority list employees.

Effective February 6, 2000, any and all casual employee hired shall not be entitled to any fringe benefits as provided for under the contract agreement for full-time regular seniority employees.

#### 5. OVERTIME

(A) Employees shall be paid one and one-half (1-1/2) times their straight time hourly rate for all hours worked in excess of forty (40) hours per week.

(B) All time worked in excess of the employees daily scheduled hours shall be paid at the rate of one and one-half (1-1/2) times the straight time hourly rate, provided:

That a minimum of forty (40) hours of regular time pay has been achieved. Regular hours is defined as regular straight time hours plus personal, sick, float and holiday hours that count towards the calculation of overtime and any non compensated time off approved by management.

- (C) In the event overtime work is required of warehouse employees, the Employer will notify the employees affected at least one hour before the end of the employee's regular scheduled shift.

Overtime Shall Be:

1st Offered by seniority within the job classification normally performing the work and then reverse seniority shall be used to assign remaining overtime requirements

2nd Offered by seniority and ability to perform the work within the work area where the work will be performed and then reverse seniority and ability to perform the work shall be used to assign remaining overtime requirements.

3rd Offered by seniority and ability to perform the work within the shift on which the work will be performed and then reverse seniority and ability to perform the work shall be used to assign remaining overtime requirements.

6. ABSENCE

- (A) Employees shall not be compensated for absence for any cause not origination with the Employer, except as otherwise provided herein.

7. MINIMUM HOURLY WAGE RATES - EFFECTIVE FEBRUARY 6, 2011  
THROUGH DURATION OF THIS AGREEMENT

PAYROLL CLASSIFICATION

**Tier 1**

		<u>2/06/11</u>	<u>2/05/12</u>	<u>2/03/13</u>	<u>2/02/14</u>	<u>2/08/15</u>
1.	Driver	\$21.52	\$22.02	\$22.57	\$23.12	\$23.67
2.	Mechanic	\$21.52	\$22.02	\$22.57	\$23.12	\$23.67
3.	Checker Stock Clerk	\$20.35	\$20.85	\$21.40	\$21.95	\$22.50
4.	Whse Power Lift Operator	\$20.30	\$20.80	\$21.35	\$21.90	\$22.45
5.	Warehouse Order Selector	\$20.23	\$20.73	\$21.28	\$21.83	\$22.38
6.	Driver Helper	\$14.55	\$15.05	\$15.60	\$16.15	\$16.70
7.	Light Duty Classification same as time of injury					
8.	Straight Truck	\$15.55	\$16.05	\$16.60	\$17.15	\$17.70
	Over 26,000 #GVW, CDL Class B-License.					
9.	S Grade Garage	\$15.55	\$16.05	\$16.60	\$17.15	\$17.70
	Very light mechanical work, cleaning, fueling, changing parts and other misc. garage support activities.					
	It is mutually recognized and agreed that the mechanic wages are minimal rates and that mechanics with different certification level credentials may be paid at a higher rate.					
10.	Class A Mechanic - - - Current mechanics wage minimum up to the industry standard.					

**Tier 2**

		<u>2/06/11</u>	<u>2/05/12</u>	<u>2/03/13</u>	<u>2/02/14</u>	<u>2/08/15</u>
11.	Driver (hired on or after 3/7/11)	\$18.52	\$19.02	\$19.57	\$20.12	\$20.67
12.	Warehouse Order Selector (hired on or after 3/7/11)	\$17.23	\$17.73	\$18.28	\$18.83	\$19.38

**Casual Employee**

		<u>2/06/11</u>	<u>2/05/12</u>	<u>2/03/13</u>	<u>2/02/14</u>	<u>2/08/15</u>
13.	Casual Order Selector (hired on or after 3/7/11; not eligible for shift differential or freezer premium) Note: Casual employees hired before 3/7/11 will be frozen at their current wage rate.	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00
14.	Casual Driver (hired on or after 3/7/11)	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00

## WAGES

- (A) Light Duty Classification: Those employees in this classification shall be entitled to their wages, pension, health & welfare and the other fringe benefits provided for under this agreement at the time of injury. Those employees who participate in this classification, if any, shall be at the sole discretion of the company and their injury must have been work related. The company shall solely determine what jobs are to be performed under this classification provided that any work assigned to such employees shall be approved by the treating physician. It is not the intent of the company to reduce the hours worked by regular full-time seniority employees. These employees will not be performing bargaining unit work.
- (B) Casuals will be paid at the rate listed in Supplementary Agreement Schedule "A", Article I, Section 7. The first day of work for a casual that has been moved to regular full-time seniority status for seniority purposes is the first day of employment.

### 8. CALL-IN PAY

Any regular full-time seniority list employee reporting to work and whose services shall not be required for the scheduled work-day shall be paid for at least five (5) hours time unless more than five (5) hours are worked. Payments for time not actually worked required by this Section will not be computed towards overtime. An employee who does not call in or give notice and is late by more than half an hour, does not receive the five hour guarantee of pay; and the employee who calls in or gives notice and is late by more than one hour, does not receive the five hour guarantee of pay.

### 9. LUNCH PERIODS

Employees scheduled to work more than six (6) hours in any work-day shall have one (1), thirty (30) minute lunch period without pay, to start not earlier than the beginning of the fourth hour of work and end not later than the start of the seventh hour of work.

### 10. REST BREAK

All employees shall receive a ten (10) minute rest break with pay during the third, seventh and ninth hour and each additional two hours of work thereafter.

All freezer employees who are working a major portion of their time in the freezer and work for a continuous 90 minute period, shall be entitled to a fifteen (15) minute rest break with pay or the opportunity to take their scheduled 30 minute lunch break. An example of such a schedule would be:

Start	6:30 - 8:00:	break 15 min.
Work	8:15 - 9:45:	break 15 min.
Work	10:00-11:30:	lunch 30 min.
Work	12:00- 1:30:	break 15 min.
Work	1:45 - 3:00:	work completed



11. FREEZER PREMIUM

Freezer room employees who work a major portion of their time in a freezer handling frozen foods shall receive a premium of twenty-five cents (.25) per hour above their regular hourly wage.

12. SHIFT DIFFERENTIAL

(A) All employees shall receive forty cents (.40) per hour above their straight time hourly rate for all work performed on any shift starting between the hours of noon (12:00) p.m. and six (6:00) p.m.

(B) All employees shall receive fifty cents (.50) per hour above their straight time hourly rate for all work performed on any shift starting between the hours of six (6:00) p.m. and three (3:00) a.m.

13. UNION TOOL PROGRAM

1. \$400.00 annual tool allowance to maintain and upgrade.

(a) money to be paid in increments of \$100.00 in the first pay period per quarter.

(b) a receipt totaling at least \$100.00 must be turned in by the employee for each quarter to qualify for the next quarter.

2. Tools to increase work performance (air tools).

(a) the company will repair or replace worn air tools used on the job.

(b) a list of designated air tools will be supplied by the company at the discretion of the Garage Manager.

14. INCENTIVES

The Employer retains the right to add incentive programs during the life of this Agreement. The Employer also retains full authority to limit the duration of any such incentive program and is under no obligation, contractually or otherwise, to continue with, or offer, any such incentive program. The Employer will advise the Union in writing of any such incentive prior to implementation. Production data recorded during the incentive duration will not be used to calculate or derive a warehouse production standard. Any compensation paid to the employees as a result of Employer incentive programs will not be subject to the provisions of article XIV Maintenance of Standards of this agreement.

## ARTICLE II

### VACATION LEAVE

#### 1. ELIGIBILITY

(A) The vacation year will run on a calendar basis; January 1st to December 31st and only employees on the regular seniority list shall be eligible for vacations.

All vacations will be earned on their anniversary date, but can be taken at any time during the calendar year in which their anniversary falls. Any anniversary year in which the employee earns an additional increment of vacation (1 year, 2 years, 8 years, 15 years), should they take that incremental week before their anniversary date, they will be required to sign a document stating that should they leave the Company before their anniversary date, they will reimburse the Company for that one (1) incremental week of paid vacation.

(B) Eligible employees shall be entitled to one (1) week of vacation leave after they have attained one (1) year of seniority. They will be allowed to take that one week at any time during the calendar year in which their one year anniversary falls; in accordance with the requirements of Item A above for incremental vacation.

(C) Eligible employees shall be entitled to two (2) weeks of vacation leave after they have attained two (2) years of seniority. They will be allowed to take both weeks at any time during the calendar year in which their two (2) year anniversary falls; in accordance with the requirements of Item A above for incremental vacation.

(D) Eligible employees shall be entitled to three (3) weeks of vacation leave after they have attained eight (8) years of seniority. They will be allowed to take the three (3) weeks at any time during the calendar year in which their eight (8) year anniversary falls; in accordance with the requirements of Item A above for incremental vacation.

(E) Eligible employees shall be entitled to four (4) weeks of vacation leave after they have attained fifteen (15) year of seniority. They will be allowed to take the four (4) weeks at any time during the calendar year in which their fifteen (15) year anniversary falls; in accordance with the requirements of Item A above for incremental vacation.

(F) The fifth week of vacation will be eliminated for those employees who have not acquired 25 years of service by 12/31/92.

2. VESTING

(A) Vacation leave for all eligible employees shall become vested on January 1st of each year in accordance with the eligibility requirements (A) through (F) above.

(B) Employees shall receive vacation leave only for vested vacations except as provide for below:

Upon reaching any anniversary which would give an employee an increment, the employee shall receive vacation leave equal to the increment between the anniversary date that caused the increment and December 31.

3. AMOUNT OF VACATION PAY

(A) Eligible employees shall receive vacation pay for each week of vacation leave equal to the previous calendar year's gross wages reported on the employee's Federal W-2 divided by 52 weeks (53 in years with 53 pay periods), except in the case of an employee who is receiving vacation leave for the first time, in which case the divisor shall be the number of Employer payday from the employee's seniority date through December 31. Employees that missed less than 65 working days during the previous calendar year for work related injuries shall receive vacation pay for each week of vacation leave equal to the previous calendar year's gross wages reported on the employee's Federal W-2 divided by 52 weeks (53 in years with 53 pay periods) or their previous year's base wage (from Schedule A, Article I, Section 7) times 40 hours, whichever amount is greater.

(B) If an employee schedules a vacation during a holiday week of which payment is required per the contract, the top 1/3 of the seniority list employees shall have the option of either the prior Friday or subsequent Monday of their vacation week off by seniority or, an additional day's pay, or, may schedule another vacation day during the year.

The 2nd 1/3 seniority list employee shall have the option of either an additional day's pay or may schedule another vacation day during the year.

The bottom 1/3 seniority list employee shall have the option of either an additional day's pay or may schedule another vacation day during the year.

The domicile drivers will be limited to no more than one (1) driver off at a time for vacation where there are 3 or less drivers based and have a separate vacation schedule.

Any fractional employee shall be rounded up to the next whole number when computing the 1/3 increments beginning with the top 1/3 seniority list.

(i.e.) 10 employees would be:

top 1/3	-	4
2nd 1/3	-	3
bottom 1/3	-	3

(C) Vacation pay shall be paid to the employee on the payroll check before the vacation leave, provided that the vacation leave was scheduled two weeks or more prior to the start of the vacation leave.

(D) Employees with more than one week of vested vacation leave shall be allowed to receive pay in lieu of taking the vacation time off for all but one week of their vacation time. A minimum of one week of vacation must be taken by any employee that has vested vacation time.

Employees interested in receiving pay in lieu of taking vacation time off must indicate this desire in writing to the Company by February 15. Payment for this vacation time will then be made to the employee at the end of the second full week in December. Payment in lieu of taking vacation time off will be made in full-week increments only.

Employees with only one week of vested vacation time off during the calendar year will not be allowed to take pay in lieu of the vacation time off.

#### 4. TIME FOR VACATION LEAVES OF ABSENCE

(A) The Employer shall permit a minimum of seven percent (7.0%) of the work force on vacation throughout the year with no restricted weeks.

(B) Subject to Subsection (A) above, vacation request shall be granted according to seniority.

(C) Any employee who has vested vacation and is separated from his employment for any reason shall be paid the amount vested at the time of separation.

(D) Employees shall not be allowed to more than two (2) consecutive weeks of vacation, except with the consent of the Employer and Union.

(E) The Employer will post a vacation schedule by January 5th of each year. If an employee has not selected vacation dates by February 15th, the Employer may complete the schedule and set the vacation dates.

### ARTICLE III

#### HOLIDAYS

##### 1. ELIGIBILITY

Only full-time employees on the regular seniority list shall be entitled to holiday pay. Casual employees are eligible for paid holidays as referenced in Section (2D) below.

No employee shall be eligible or paid for any of the aforementioned holidays who for any reason does not work their scheduled workday, including overtime, immediately prior to the holiday and the scheduled workday immediately following the holiday.

##### 2. PAID HOLIDAYS

(A) Eligible employees shall be granted eight (8) hours of pay for the following holidays: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, the employee's birthday or any other mutually agreed upon day and Christmas Day, the actual 8 hrs to be determined by the employee's regular shift holiday and regular scheduled work week. Employees working a split work week schedule or four (4) day work week will automatically be assigned the holiday as their regular day off for all weeks containing a holiday and will be paid according to their regular number of hours scheduled at their established hourly rate.

(B) No employee shall be required to work on Labor Day.

(C) On the eve of Christmas and New Years Day, employees working past five p.m. (5:00) will be paid at the rate of double time and employees scheduled for shifts continuing after five p.m. (5:00) may be called in at an earlier starting time to permit the performance of their work. It is not the intent to schedule an employee after five p.m. (5:00). However, double time will be paid for hours worked over five p.m. (5:00). If hours are worked.

(D) Casual employees who have attained ninety (90) calendar days, who work the scheduled day before and after the following list of holidays shall be granted eight (8) hours of pay. Casual employees working a split work week schedule or four (4) day work week will automatically be assigned the holiday as their regular day off for all weeks containing a holiday and will be paid according to their regular number of hours scheduled at their established hourly rate.

The holidays are:      New Years Day  
                                 Memorial Day  
                                 4th of July  
                                 Labor Day  
                                 Thanksgiving Day  
                                 Christmas Day

3.                    HOLIDAYS WORKED

(A)      In addition to the pay required by Section 2 (A) above, all hours worked on the holiday, shall be paid at twice (2) the straight time hourly rate.

(B)      If any holiday falls within the thirty (30) day period following the employee's layoff due to lack of work, and such employee is also recalled to work during the same thirty (30) day period, the employee shall receive eight (8) hours pay at straight time for each holiday that occurred within said thirty (30) day period.

            An employee who was laid off because of lack of work and is not recalled to work within the aforementioned thirty (30) days period is not entitled to the extra pay upon his return.

            Under no circumstances shall the extra pay referred to herein be construed to be holiday pay, nor shall it be considered as hours worked for weekly overtime.

## ARTICLE IV

### PERSONAL LEAVE

#### 1. ELIGIBILITY

Employees on the regular seniority list with one (1) year or more of seniority on January 1st shall be entitled up to a maximum of seven (7) paid sick days and three (3) paid personal leave days during the following 12 month (Jan-Dec). It is agreed that casuals who are put on the regular full-time seniority roster will be granted one (1) of each for a total of two (2) days on the first of the month after becoming a full-time regular seniority employee. This number will be increased by two (2) on the first of each subsequent January 1st until reaching a total of ten (10).

Eligibility	Sick Day	Personal Day	Total
First of the month after becoming a full-time regular seniority employee	1	1	2
1st subsequent January 1st after becoming a full-time employee	2	2	4
2nd subsequent January 1st after becoming a full-time employee	4		4
Total sick & personal days	7	3	10

#### 2. AMOUNT OF PAY

- (A) Payment for personal leave days shall be for eight (8) hours pay at the employee's straight time hourly rate.
- (B) Paid personal leave hours will be computed towards weekly overtime.
- (C) Personal leave days must be scheduled a minimum of 48 hours in advance.
- (D) Sick days will be paid conditional upon call-in at least one (1) hour before the employee's regular starting time. If an employee works less than one half (1/2) of their regularly scheduled shift, they will be charged a sick day. If an employee works more than one half (1/2) of their regularly scheduled shift but fails to complete their shift (including overtime), they will be charged one half (1/2) of a sick day.

3. UNUSED PERSONAL LEAVE DAYS

(A) The employer shall pay all employees by the end of the second full week of Dec. of each year for any unused sick days or personal leave time remaining from the prior year. If an employee uses a personal leave day or sick day after receiving payment for their unused personal leave days or sick days, the employee will be entitled to take the time off as an unpaid day.

(B) Employees shall not be paid for unused personal leave days or unused sick days in the event of separation or termination from the Company for any reason.

4. PERSONAL DAY USAGE

The Company will allow 1% of employees, by vacation department with a minimum of 1 per department, to schedule a personal day with no blocked days. For drivers, the Company will allow 2% of drivers on Tuesdays, Wednesdays, and Thursdays. Day selection will be on a first come, first served basis on a daily basis.

ARTICLE V

FUNERAL LEAVE

When an employee on the regular seniority list is absent from work due to a death in their immediate family and actually attends the funeral, the employee may receive up to three (3) consecutive days off, one day of which must be the day of the funeral. Consecutive days off shall include an employee's scheduled days off and the employee will be paid (their regular pay per day) for only those scheduled work days lost. By immediate family is meant: parent, brother, sister, wife, children, grand parents, parents-in-law, step-children, or grand children. In the event of the death of the current legal spouse or child(ren), an additional two (2) consecutive paid days off will be granted. For relatives, i.e., sisters-in-law & brothers-in-law, the employee shall be entitled to one (1) day off (day of the funeral if attends).

Note: If out of state travel is necessary to attend a funeral, additional unpaid time off will be considered after proper documentation is received.

ARTICLE VI

MEDICAL EXAMINATIONS AND TESTS

(A) Physical, mental or other examinations and/or test required by a governmental agency or the Employer shall be promptly complied with by all employees, provided, however, the Employer shall pay for all such examinations and/or tests.



The Employer shall be responsible for compensating the employee only for examinations and/or tests required by the Employer and then only for time spent at the place of examination and/or tests, unless the Employer requires the employee to take the examinations and/or tests during their scheduled working hours. In such case, the employee shall be compensated as though at work through the completion of the examination and/or tests provided that such compensation shall not continue after the end of the employee's scheduled work day.

(B) The Employer reserves the right to select its own medical examiner or physician.

(C) Under no circumstances shall this Article be interpreted to require the Employer to pay for any time and/or expense incurred by an employee to obtain any license or other certification required by any governmental agency in the performance of their job.

(D) Refusal by an employee to take a test for alcohol or illegal drugs and/or stimulants shall subject such employee to automatic discipline under the appropriate Work Rule.

## ARTICLE VII

### JOB CLASSIFICATIONS AND BIDS

Section 1. It is mutually agreed and understood between the two parties that the Employer shall have the right to establish, amend, change, delete or add to job classifications at its discretion, provided the Employer:

1. Provides written notice to the Union.
2. Post a notice of the change for ten (10) days.

An employee may challenge any such change through the grievance procedure up to ten (10) days from the date posted.

Each employee on the regular seniority list shall be assigned to a job classification through the bid procedure outlined in section 2 below.

Section 2. Permanent job openings - openings that will exceed or are expected to exceed thirty (30) days.

(A) The Employer shall post permanent job openings for seven (7) working days.

Employees may bid for job openings only during this seven (7) day period.

(B) Job openings will be filled from bids submitted on the basis of an employee's seniority, qualifications and ability.

Employees transferred through such procedure, will be given a thirty (30) days worked probationary period on the job to which they were transferred. It is agreed that time paid but not actually worked does not constitute completion of this trial period and that it is automatically extended up to a maximum of sixty (60) working days to cover these situations on a day-for-day basis. An employee awarded a job bid may return to his previous job before the completion of his trial period.

Probationary periods may also be extended to sixty (60) working days on the job by request of either the employer or union.

(C) An employee awarded two (2) bids in a one year period is not entitled to an additional bid until one year after the first bid.

(D) Any employee transferred permanently from a higher classification to a lower classification, shall receive the rate of pay established for the lower classification.

Section 3. Temporary job openings - openings that will be or are expected to be for less than thirty (30) days and absence exceeding thirty (30) days when the employee is expected to return.

(A) Unscheduled:

1. The Employer shall have the right to determine the job classification from which the temporary openings will be filled.

2. Employees within the job classification selected shall be offered the opportunity to fill the temporary opening based on seniority, qualifications and ability, and then reverse seniority and ability to perform the work may be used to fill the opening.

3. Any employee transferred temporarily from a job with a lower payroll classification to a job with a higher payroll classification shall receive the rate of pay established for the higher classification. If more than four (4) hours are worked in the higher classification during the shift, the employee shall be paid for all hours worked during the shift at the higher classification rate.

4. Any employee transferred temporarily from a higher classification to a lower classification shall retain his higher rate of pay during the temporary period.

(B) Scheduled at least two (2) work days prior to start of shift (excluding vacation leaves):

By seniority within department and work force receiving same shift differential.

Section 4. Vacation leaves for warehouse employees scheduled in accordance with Schedule "A" - Article II, Vacation Leaves.

(A) The Employer shall post a warehouse vacation leave bid for each shift's vacation immediately after the vacation leave schedule is completed.

(B) Employees may sign the bid list of their choice that results in a lower shift differential than currently received. Employees may select specific weeks or request all available weeks.

(C) Bids shall be awarded based on seniority and ability to perform the work.

(D) An employee who chooses not to fill a vacation leave after having been awarded a bid shall be immediately removed from the vacation leave bid list.

Section 5. Warehouse Bid Language:

When there is a permanent bid position elimination on the day shift, the Company will bid afternoon and night shift positions. When there is a permanent bid position elimination on the afternoon shift, the Company will bid afternoon and night shift positions. When there is a permanent bid position elimination on the night shift, the Company will bid night shift positions above Order Selector.

#### ARTICLE VIII DRESS AND APPEARANCE CODE

Section 1. Both parties recognize that it is to their mutual interest and to the best interests of both the Employer and its employees to have a clean, neat and orderly appearance.

Section 2. The Employer shall have the right to amend, change, delete or add to the following Dress and Appearance Code and penalties for their violation, provided the Employer:

1. Provides written notice to the Union.

2. Post a notice of the change for ten (10) days.

An employee may challenge any such change through the grievance procedure up to ten (10) days from date posted. Any change so challenged will not take effect during the grievance process.

Section 3. Employees who fail to comply with the Dress and Appearance Code shall be suspended until in compliance.

Section 4.

(A) The following are prohibited for all employees:

1. Personal uncleanliness.
2. Scant or torn clothing.
3. Cloth shoes and tennis shoes.
4. Tank tops.
5. Cut-offs.

(B) The following are prohibited for employees who have contact with the public and/or customers of the Employer:

1. Handlebar mustaches or mutton chop sideburns.
2. Hair should be neatly trimmed (above collar).
3. Mustache neatly trimmed is acceptable.

## WORK RULES AND REGULATIONS

It is essential to the successful operation of the business and the welfare of the entire employed group that fairly established standards of discipline, health, safety, attendance, workmanship and honesty be maintained. Willful disregard or violation of these rules and regulations or incapacity to meet such established standards will subject an employee to a reprimand or discharge, when in the judgment of management circumstances so warrant.

The Employer shall have the right to amend, change, delete or add to the following Work Rules and Regulations and penalties for their violation, provided the Employer:

1. Provides written notice to the Union.

2. Post a notice of the change for ten (10) days.

An employee may challenge any such change through the grievance procedure up to ten (10) days from date posted. Any change so challenged will not take effect during the grievance process.